A U.S. DEPARTMENT OF COMMERCE WEEKLY

International Commerce

May 27, 1968

Multi-Mission to Australia finds sales potential for U.S.

International Trade Winds Newsletter

Company News

GLASS FIBER PRODUCTS—The Owens-Corning Fiberglas Corp., Toledo, O., has established a German subsidiary, Owens-Corning Fiberglas Deutschland, G.m.b.H., registered in Wiesbaden. The new company is to handle the sale, service and technical consultation for the parent company's products in Germany, Austria and Switzerland.

COMMUNICATIONS—An agreement between Western Union International, Inc., New York, Empresa Nacional de Telecommunicaciones in Ecuador, Venezuela's National Telphone Co., and Colombia Telecommunications will provide direct undersea cable linkages for telecommunications services between the United States and Ecuador for the first time. The new link will also improve Ecuador's communications connections with other countries in the Americas.

TIMBER—Georgia-Pacific Corp., Portland, Ore., has announced plans to participate in a major timber development program, including manufacturing, long-range reforestation, and international trade, in the Province of Esmereldas in the northwest coastal region of Ecuador. The program, to be carried out by a wholly-owned subsidiary of Georgia-Pacific, Compania Forestal Ecuatoriana, S.A., follows recommendations of a joint development study made by the United Nations Food and Agriculture Organization and the Eduadorian Government.

PHARMACEUTICALS—Eli Lilly International Corp., Indianapolis, Ind., has dedicated two new centers in Europe. The Lilly Research Centre, Ltd., is located at Windlesham, some 25 miles southwest of London. Scientists at the British complex will study tropical diseases, inflammatory conditions, and the problems of autoimmunity. A new manufacturing facility, to be operated by Lilly Indiana de Espana, S.A., has been opened near Madrid. The factory will produce agricultural products and human medicines for the Lilly and Dista brands. Lilly owns half the Spanish firm, one of two partnership arrangements among 40 Lilly affiliates overseas.

Mini-what? The Mini-Field Office of Commerce Department at San Antonio's Hemis-Fair 68 is ready to move into high gear as the fair swings into its busy season. "Mini" means that the office has the range of international business services of the 42 regular Commerce Field Offices, though on a smaller scale. Businessmen attending HemisFair will find it in the Texas International Trade Center adjacent to the fair grounds.

The term "world market" really represents a series of small markets. So concludes Pan Am's Marketing Services manager John Lombardi. It means for him that small businessmen can really do better in exporting than giant corporations—because they can identify best with small markets and operate in them without having to double or triple their production. Overseas markets, Lombardi believes, are small enough for the smaller firms to be comfortable in, and large enough to realize a profitable return on investment.

A first AID-financed sale of U.S. goods in a developing country often opens the door to a good market. Example: Goss presses in Brazil, where the company reports "prior to the AID-financed sale in Sao Paulo, we were unable to sell even one of our smaller web offset presses. We just recently received five orders for this type of press during one week, and all of them through regular financing channels. We believe the AID financing of the first press was most instrumental in making this possible."

Commerce Department's alert computer, linked with the Department's American International Traders Index, sent a $1 million sales tip to U.S. firms recently. When news came about a major Eximbank credit aimed at financing Thailand purchases from the U.S., it picked out all companies on the Index interested in SE Asia business and sent the word along. Of course, the Index computer could only inform the firms registered with it. To get on the Index, write AITI, Bureau of International Commerce-924, U.S. Dept. of Commerce, Washington, D.C. 20230.

What interest overseas in water pollution control equipment? Here's one indicator: The 15 U.S. exhibitors displaying such equipment at the Milan U.S. Trade Center last month attracted 958 trade visitors to their booths. They expect $1.8 million in sales this year as a result of the show. Two agency agreements were concluded, and two more are under way.

NOTICE: This information is offered to preview or provide informally brief and varied comment on Bureau of International Commerce worldwide export and investment promotions. It is not final and does not substitute for detailed know-how and analysis in our regular news columns.

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the cover

Just back from a trade promotion tour to Australia, more than 50 U.S. businessmen report brisk markets for a variety of goods Down Under. On a Pan American Airways inaugural flight, they comprised the Trans Pacific Multi Trade Mission reporting in this issue. Cover shows busy Sydney Harbor, with Opera House at lower center still under construction. Many of the photos in the mission section, pages 2-16, were supplied by the Australian News and Information Bureau, Canberra.

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Special Report

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ARRIVING IN SYDNEY, more than a dozen groups comprising Multi Trade Mission step off Pan Am plane on inaugural flight covering new Far East route.

Pacific Multi-Mission scores well in Australia

Many organizations represented plan follow-up trade promotions in the region

By ROY GOOTENBERG

Director, Trade Missions Division, BIC

More than 50 U.S. businessmen representing 15 trade and regional organizations covering 12 industries and commodities recently descended on Australia, as the Pan American Trans Pacific Multi Trade Mission. They returned full of optimism over market prospects for a variety of U.S. goods.

Many of these organizations as a result of the visit are planning follow-up trade promotions in the region to take advantage of increasing opportunities for sales, joint ventures, and licensing of U.S. technology.

Business executives from 20 states comprised the Mission, visiting Sydney, Melbourne, Adelaide and Brisbane in ten days of intensive rounds of individual meetings, general conferences, briefings, plant tours and receptions. From Apr. 29 through May 9 they promoted metalworking machinery, electronic instruments, dairy and food equipment, engineering, materials handling, automation and welding machinery; waste treatment, automobile service, oil field, medical, dental, air conditioning, teaching and educational equipment.

The project was suggested and sponsored by Pan American World Airways, Inc., to utilize its inaugural flight from the United States to Sydney, through American Samoa and New Caledonia. Significant organizations selected were those which have the capacity for a permanent promotion program in Australia.

Intensive promotion

Among the groups on the Multi-Mission the States of Ohio, North Carolina, and Virginia, the Consulting Engineers Council, Automation Industries, and Dairy and Food Industries Supply Association plan to follow through with more intensive trade promotions in the Australian market.

The individual articles which follow analyze the possibilities and realities of dealing with the business community. Most of the mission members agreed that the Australian market represents a dynamic opportunity for U.S. businessmen to join in partnerships and to expand their presence there because of the startling recent economic growth of that nation.

The Pan Am Multi Trade Mission arrived in Australia in the midst of excitement engendered by recent additional discoveries of copper, nickel and oil. The stock market was buoyant, and the confidence of Australian entrepreneurs was expansive. Mission members in more than 800 interviews reported unusual opportunities emerging swiftly, with both small and large business firms seeking U.S. goods, technology and joint venture partners.

Members observed that competition from businessmen of other nations, especially Japan, Germany and Italy, is also accelerating. The United States has a certain advantage, however, in the friendliness toward this country reflected in the attitudes of Australian businessmen.

Among the significant conclusions emerging from the observations of the businessmen members is the focus on the potentiality represented by joint ventures between Australian and U.S. firms for engineering, capital goods, sales, and technical assistance, throughout the rim of the Pacific area.

Participants in the mission, and the firms or organizations represented, were reported on page 4 of the Apr. 29 issue of INTERNATIONAL COMMERCE.

Australia offers increasing opportunities for U.S. sales

Trade patterns change as export industries diversify, more resources go into manufacturing; technology needed

By DEANE BLACK
Far Eastern Division, BIC

The recent Pan American Pacific Trade Mission to Australia pointed up again the existing and expanding opportunities for U.S. business in that growing market.

Economic conditions are good and the Australian businessman is looking for new products, technology and know-how. Trade patterns are changing, as Australia's export industries are diversified and more of its resources are filtered into manufacturing.

Competition from other foreign suppliers is keen but can be met, according to mission members, by U.S exporters in such areas as price, delivery terms, quality, uniqueness. Servicing presents a problem for some U.S. products but third country competition is also experiencing the same difficulty and ways are being developed to meet the situation.

Short-term trend upward

For the short term, the Australian domestic economy is expanding and a report of the Commonwealth Treasurer states that a continuing firm upward trend is indicated. Private investment in particular is showing signs of strong growth and consumer spending rose sharply in the first half of fiscal 1968. Industrial output has continued to expand; retail sales are up 8% over the same period a year ago.

Businesses are expected to spend 23% more on new buildings and 13% more on new capital equipment than in the corresponding period a year ago. In the Government sector, defense commitments will push federal spending on goods and services to a new high, already greater by 16% than in the same period of 1967.

For the long term, development of Australia's vast reserve of mineral resources will offer inestimable opportunities for U.S. exporters to supply technical services, products and know-how. The already large U.S. business presence and capital in these developments will continue to generate the need for capital goods and equipment and services to build entire new towns, ports, roads, railways, processing plants and facilities to service newly populated areas. Based only on known contracts, by 1980 Australian mineral exports are forecast at more than $3 billion.

In top ten

Australia is in the top ten as a market for U.S. goods and is second only to Japan, as a market in the Far East. U.S. exports to Australia so far this year are running at nearly a billion dollars on an annual basis, this trade having risen 37% in 1967 over 1966. The U.S. share of the Australian import market is now about 27%. More than half of U.S. exports in 1967 were comprised of machinery and transport equipment, and it is expected that, following the trends in Australia's recent development, this traditional pattern will continue—although mission members noted in addition many opportunities for other types of products.

U.S. investment in Australia is valued at more than $2 billion, involving 500 branches and subsidiaries, 1,500 licensing or royalty agreements, and more than 10,000 agency arrangements. Not only have these companies played a major role in Australia's development in the recent past but they will continue to participate with an increasingly important role in assisting Australia to expand its economy, and become an even better customer for U.S. goods. This fact and the availability of an expanding market for U.S. exports portends a continuing and wider range of opportunities for U.S. exporters, according to the trade mission members.

Interest 'at highest level'

As evidence of Australia's strong interest, at the highest level, in wider trade ties with the United States, the Right Honorable John Gorton, Prime Minister of Australia, invited the newsmen accompanying the mission to his office in Canberra's Parliament House for an informal talk. The Prime Minister himself asked most of the questions.

The Prime Minister is scheduled to visit Washington this week for talks on relationships between the two countries.

DOWNTOWN SYDNEY is center of city's big redevelopment boom. Country's tallest building is circular Australia Square Tower (right) now structurally complete, expected to be fully occupied by mid-year.

Engineers Council group finds Australians seek association with U.S. contracting firms

Members also find many local engineering and architectural firms, mostly small; majority practice in only one branch

Engineering services often are said to be the spearhead of any export expansion program because the plans and specifications prepared by U.S. consulting engineers permit U.S. material and equipment to follow. Thus, it is understandable that the Consulting Engineers Council was given the opportunity to participate in the Multi/Trade Mission to Australia.

Detailed discussions in Sydney and Melbourne, through some 100 meetings and visitations, revealed that many local firms are openly seeking U.S. consultants who are willing to associate with Australian firms.

Australia has a substantial number of competent consulting engineers and architectural firms. The Association of Consulting Engineers of Australia, which is associated with the International Federation of Consulting Engineers, lists about 170 member firms. Most of them are small, but a few have more than 200 employees. Most have only one office; however, about 10% list two offices, 6% list three, four firms list four or five offices, and five list seven or more. With few exceptions, these offices are in Australia or New Zealand.

There is a strong tendency toward practice in one branch of engineering rather than multiple discipline practice. A sampling of A.C.E.A. members indicates the following areas:

Civil, 67%; structural, 62%; mechanical, 27%; electrical, 25%; soils (including laboratory), 7%. (The total exceeds 100 because some firms practice in more than one branch.)

The larger firms tend to practice in more fields of engineering, but there is little combined practice of architecture and engineering.

Australia also has a significant number of architectural firms. In Melbourne about 800 individual architects and architectural firms are listed; in Sydney, about 1,000. Many of the individuals listed are in fact in direct government service and not in private practice. Statistics on size and number of offices are similar to those given for consulting engineering firms. The few very large architectural firms tend to do a part or all of their engineering in house.

A few U.S. consulting firms are operating in Australia, usually in association with Australian firms. The services of such firms have often been in somewhat specialized areas not within the experience of Australian engineers.

Opportunities limited

The capabilities and experience of Australian firms are influenced by the strong tendency for government agencies to handle essentially all engineering work with their own staff—which limits the opportunity for private consultants.

Clients have been noticeably turning to design-build contractors. This tendency may be attributable to the lack of multi-discipline firms capable of providing a single source responsibility. To obtain a greater share of opportunities many local firms are seeking U.S. consultants willing to associate with Australian firms.

Western Australia, which represents geographically over a third of the country and about a million people, contemplates major capital projects totaling $752 million, 1961–70. Railroad improvements will reach $132 million with

CONSULTING ENGINEERS COUNCIL members Barry Mountain, Los Angeles, Calif. (second from left) and Robert Morse, Richmond, Va. (extreme right), discuss building project with Melbourne architects.

The accompanying report on the Australian market for engineering and architectural services was prepared by the Consulting Engineers Council section of the Pan Am Pacific Multi-Mission. The authors are:

Robert Morse, Brandt & Morse, Richmond, Va.; Barry F. Mountain, Daniel, Mann, Johnson, Mendenhall, Los Angeles, Calif.; Richard H. Stanley, Stanley Consultants, Muscatine, Iowa; and John A. Donley, Northern Systems Co., Houston, Tex.

major expenditure contemplated in power, water resources, and sewerage, transportation, education and institutional facilities.

Major private capital investment projects, 1965–90, will run in excess of $1½ billion—involving alumina, bulk grain facilities, cement, containerized cargo facilities, iron ore, iron and steel, nickel, oil, salt and potash, and related infrastructure.

Sizable projects

Sydney and New South Wales, in addition to Melbourne and the State of Victoria, are embarking on sizable public works, industrial development and commercial housing schemes. A shortage of highly qualified and experienced engineers is developing which again results in the desire of the Australian consultant to join forces with U.S. engineers and architects.

For U.S. consultants to establish their own independent practice does not seem practical. Joint ventures or sub-contractor relationships, in our judgment, is the most practical manner in which to proceed. As to fees schedules, the A.C.E.A. has published conditions of engagement and scales of charges incurred.

For large prime design engineering layouts on civil and structural work the fees vary from 5% and $15,000 for jobs at $2 million and over to 10% for jobs of less than $5,000. Electrical and mechanical work on this type of project is bracketed between 6% for jobs of more than $20,000 and 10% for jobs of less than $4,000.

Where civil, structural, mechanical and electrical work is effected on a prime contract basis in connection with buildings, the civil and structural work carried a fee of 6% for $1 million or more construction costs, and this is elevated to 10% if the cost is less than $5,000. Electrical and mechanical work have the same percentage brackets, but the low point applies to a cost of more than $20,000 and the 10% figure to projects with less than $4,000 mechanical and electrical construction costs.

If the engineer is in a secondary capacity and commissioned by an architect, the same limits of 6 to 10% apply to the same project cost figures as outlined for electrical and mechanical; the only difference is that on this type of work the structural and civil portions carry the same fee schedule as the mechanical and electrical work.

U.S. consultants interested in practicing in Australia may obtain additional details from the A.C.E.A., 161 Clarence St., Sydney, attention Mr. Foxall.

AUSTRALIAN WELDER, above, works on construction of tin ore treatment plant at Renison, in northwestern Tasmania, where mines are among country's largest. Estimated production 4,000 tons a year.

MISSION REPORT: EQUIPMENT

Australian welding market extensive

Joining method adapted widely throughout industry there

The market potential for welding is exceedingly bright in Australia.

The Australians recognize welding as a modern means of joining material and have adapted its use in industry as much, if not more, than in the United States.

The dominant process is arc welding, served largely by four companies. These companies—Commonwealth Industrial Gases, Murex, Welding Industries of Australia, and Lincoln—sell about 92% of the electrodes and 80% of the machines.

The electrode market is about A$9 million; the machine market, about A$4 million (1 Australian dollar = US$1.12).

The Australian Welding Institute with 2500 members has two and one-half times the per capita membership of the American Welding Society—indicating a recognized potential. The Royal Melbourne Institute of Technology has more than 1,000 students registered in welding. This registration, coupled with a constant demand from industry, indicates a great potential.

Three members of the Pacific Mission are with companies which have joint ventures or licensing agreements. Hobart has a joint venture arrangement with an Australian company of similar name. Miller has a licensing agreement with CIG, and Airco is in a joint venture with British Oxygen, the parent company of CIG.

Welding imports into Australia are valued at about $200,000 which come mainly from the United States. Imports of welding equipment will increase and much of the increase will come from the United States, because we have the products and the know-how the Australians are seeking.

This report and the one which follows were prepared by participants in the section of the Multi-Mission which was sent by the Motor & Equipment Manufacturers Association and the Overseas Automotive Club, Inc.

For the welding report, the authors were C.B. Abel, Miller Electric Manufacturing Co., Appleton, Wis.; A.M. Andrews, Airco International, New York; Howard Cary, Hobart Bros. Co., Troy, Ohio; and T. B. Jefferson (welding engineer), Jefferson Publications, Inc., Morton Grove, Ill.

The automotive report was authored by John M. McDonnell, E.D. Allmeninge, Inc., New York; Dean Morrison, Bear Manufacturing Co., Chicago; and Herbert Naper, Sun-Electric Co., Chicago.

Opportunities seen in automotive repair and maintenance

Participants find substantial market, especially for highly specialized items not made there

The three members of the automotive repair and maintenance group estimate that, as a result of the opportunity provided by the Commerce Department and Pan Am to work with their Australian distributors and/or select new outlets, their annual volume of sales in Australia will increase this year about $130,000. This growth will follow a steadily uphill path.

Best chances

For the automotive repair and maintenance industry of the United States, the greatest possibilities fall in three categories: Licensing and joint venture arrangements with established Australian firms; direct export to Australia of newly developed and specialized equipment for such establishments as garages, service stations, body and fender shops, diagnostic centers; and direct export in order to increase the lines manufactured locally.

The Australians are largely self-sufficient on standard garage and service station equipment. Some of the design and manufacture they have developed themselves, but more is being produced under licensing or joint venture arrangements with top U.S. firms.

Considerable interest exists in further licensing or joint venture agreements. The Australians welcome them and there are no problems with the government bureaus.

Direct exports

Members of the mission found that the market is substantial and duties are low on newly developed and highly specialized automotive and maintenance equipment not manufactured in Australia.

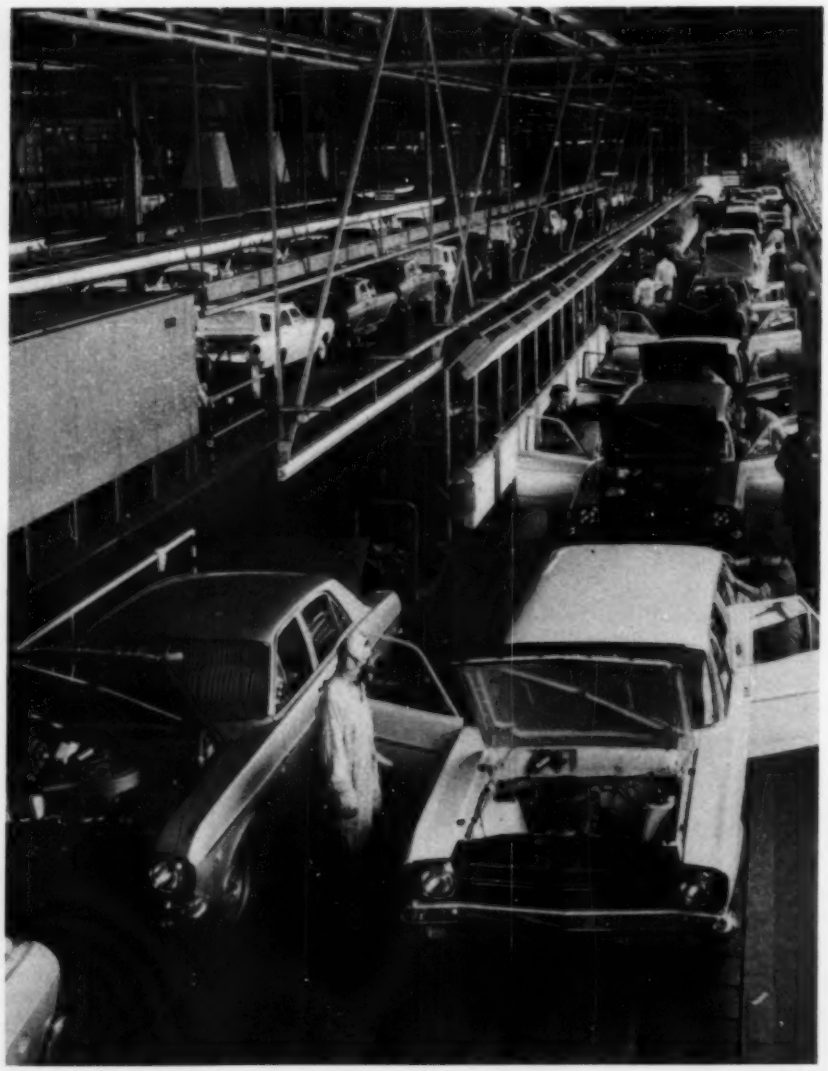
The total population of Australia is only about 12 million, but the ratio of car ownership is high—roughly one for every three persons—and the potential for the immediate future is startling.

Recent discoveries of nickel, iron ore and oil, which have only scratched the surface, should facilitate a big increase in immigration and a larger inflow of capital. This in turn will result in a steadily increasing number of passenger automobiles and of commercial vehicles to move the output of the mines and new agricultural areas over the vast distances between markets.

Some duties high

On direct exports from the United States, the major problem—aside from Japanese and European competition—is the high import duty on any product already manufactured in Australia, the United Kingdom or Canada. To protect local industry, duties as high as 60% are imposed on equipment already made in Australia. Products from Canada and the United Kingdom enjoy a preferential duty that can be as much as 20% less than the duty on similar equipment or parts from the United States.

Manufacturing costs in Australia are high because of necessarily limited production. Thus, the tendency is to concentrate on the most popular models or sizes and neglect lower volume items. Australian manufacturers are willing to import from the United States the necessary items to complete their various product lines.



IN AUSTRALIA, where car ownership is estimated at one for every three persons, repair and maintenance operations offer sales possibilities—particularly in specialized equipment not manufactured there. Above, autos pass through final stages of manufacture at a plant of Ford Motor Co. of Australia, Ltd.

ELECTRONICS INDUSTRY in Australia focuses on consumer goods, but market potential is excellent for many U.S. instruments and components. Above, transistor manufacture at plant near Sydney.

MISSION REPORT: ELECTRONICS

Prospect good for oceanography, seismography equipment sales

U.S. firms should choose representative with limited lines; Australians want capital, technology through joint ventures

By THOMAS P. COLLIER
Thomas P. Collier & Associates, Los Angeles, Calif.

Like the rest of the economy, Australia's electronics industry is growing rapidly, and provides varied opportunities for U.S. suppliers.

The electronics industry is almost totally oriented toward consumer products. The industrial uses for instrumentation and telecommunications are small and fragmented, and it is not surprising to find manufacturers' representatives in Australia handling several dozen lines, which in some instances overlap and may in fact even duplicate.

The principal reasons for this situation are the long distances that the salesmen and sales engineers must travel in Australia, combined with the small and fragmented market, which obliges them to have a wide variety of products and components to offer potential buyers.

My personal observation is that the American manufacturer would be better off if he found a representative that has few lines, none of them competitive, as the Australian market is developing rapidly and concentration on products and components should be a requirement.

Some of the newer areas which have an excellent potential for sales of American electronics equipment are oceanography and seismographic exploration. Additionally, process control instrumentation, telemetering equipment and communications equipment will soon have a substantial market here as activity increases in the exploration of metals, minerals and petroleum both on and off shore.

There is a fantastic mining boom going on in Australia as this report is being written, and almost daily reports in the press and on the radio tell of huge new discoveries of nickel, tin, titanium, iron ore, bauxite, copper, petroleum, and natural gas. It is reported that quantities of uranium and substantial gold and silver are expected to be discovered.

American manufacturers with vision and appropriate products should be looking to this wealth of resources now being uncovered, with a view to cashing in on this market before the Japanese and European competitors get a foothold. The Japanese are keenly aware of the huge potential of the extractive industries of Australia, and currently a 40-man trade mission is there looking at all possibilities, from electronics to heavy capital goods.

The Australians are very much interested in having American capital and technology come to Australia, and would prefer that this be done on a joint-venture or partnership arrangement. Quite naturally in a booming country built on the entrepreneurial system, a strong nationalistic spirit is developing which tends to make joint-ventures much more acceptable than wholly-owned foreign enterprises.

On this mission, I negotiated on six joint-ventures, and each one has prospects for being a multi-million dollar business in complete harmony with Australian participants who are eager to have American technology and, hopefully, some U.S. capital with it.

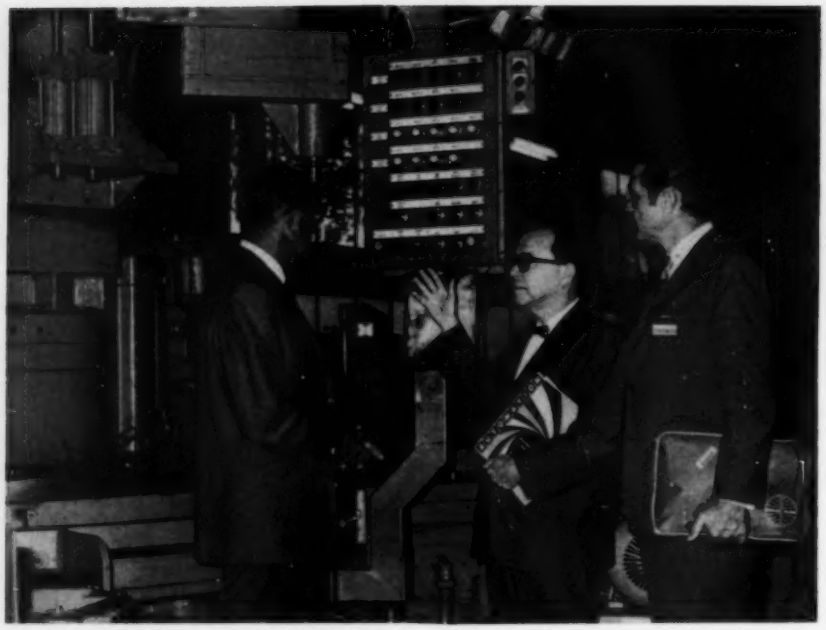
The components industry in many instances is highly automated, efficient and low-cost. I visited the International Resistance Company Pty. Ltd., near Sydney; it has been a licensee of International Resistance Company of Philadelphia for more than 35 years.

This modern plant is capably managed and extremely well run. They use modern equipment and have designed much of their own tools to make their operation as fully automated as possible. This plant could easily ship components to the United States and be more than competitive!

Some Australian companies export on a global basis from 35-60% of their total production! Their secret is a three-fold combination of high productivity, fully automating, and lower wages.

Many American companies would be wise to establish a base of operations in Australia to actively penetrate the Pacific Basin and Southeast Asia. The good transportation which is expanding rapidly, good communications, the stability of the Government, the straightforward way of doing business, and the natural skills of the people plus an excellent educational system could make Australia an attractive base for American companies who are internationally minded.

This trade mission has been a huge success in view of the new business arrangements that have been made between American and Australian firms, actual orders booked, and the face-to-face meetings with an excellent cross-section of Australian business people.



AUTOMATION EDITOR Roger Bolz, center, discusses an automation problem with businessmen in Australia.

REPORT: AUTOMATION

Need for hard look at operation methods seen by 3-man group

General approach to improved output is mostly conventional

By ROGER BOLZ
Automation Magazine

If Australia really wants to increase its product sales base with exports, become self-sufficient in manufactured products, and make full use of its abundant raw materials, it must take a hard, realistic look at automation.

To economize and use the manpower now available to best advantage, perhaps no other technique offers Australia greater investment return than practical automation of her many burgeoning industries.

In discussions, of the entire productivity problem with Australian industrialists in all areas from post office operations to printing, there was expression of the need to improve output or become more aggressively competitive. Although many kinds of equipment builders are already represented on the Australian scene, the general approach is conventional.

The seldom asked questions remain unanswered: Are present methods the right ones? Can better total attack on the manufacturing problem be mounted so as to shorten the manufacturing process? Can an analysis of the complete flow of manufacturing operation result in simpler, more direct attack on the problem and a lower unit cost ensue?

Our discussions with Australian businessmen reflect a sincere interest in productivity improvement. In fact, some even indicated that unless such is realized the economic problems will be great. There is much interest among financial executives in learning how automation can open doors to increased productivity in spite of limited manpower.

Low volume, low cost

Not unlike much of Europe, the most immediate opportunities lie in the areas that can be classed as either low-volume automation or low-cost automation.

The low-volume area of automation is served largely by numerically controlled machines of all kinds whether used to cut metals, bend metals, assemble electrical/electronic gear, or inspect complex products. Low-cost automation concepts involve primarily the adaptation of basic ideas used in high-volume areas. Such concepts involve use of such devices as automatic controls and handling equipment to create the first steps toward integrating basic manufacturing systems.

To fulfill this basic need and create a closer relationship between U.S. and Australian industries, it appears highly desirable to plan a combination educational conference—trade mission—mobile fair in 1969. Such a mission would offer a greatly expanded base of operations—to lay a solid groundwork of the why and how, to learn firsthand from the experts, and to see and discuss realistic solutions to basic problems confronting industry.

BATCH OF NEW COKE, of Australian Iron & Steel Ltd., is pushed into a hot car. Operation is completely automated and programmed from central control panel for any sequence of ovens to be emptied.

MISSION REPORT: EQUIPMENT

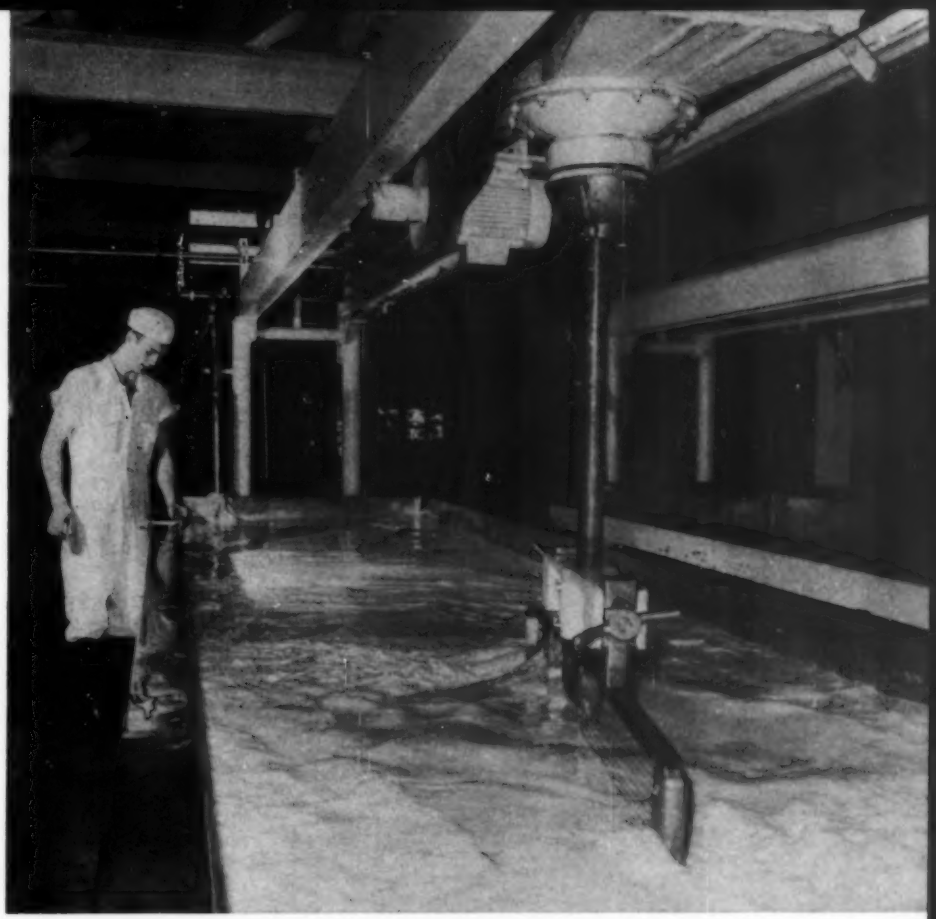
Australia is market for dairy, other food processing machines

Long-term potential seen also in packaging and automation

By JOSEPH S. CUNNINGHAM
Dairy and Food Industries Supply Association, Inc., Washington, D.C.

The dairy and food processing industry in Australia holds promise for some kinds of equipment, and probably will become a more valuable market in coming years.

As participants in the Pacific Multi-Mission, two of us were directed immediately to Melbourne on arriving in Australia to attend the 75th Annual Conference of the Australian Institute of Dairy Factory Managers and Secretaries. This is the equivalent of a state dairy association in the United States and was attended by the principal officers of dairy manufacturing plants primarily in Victoria, as well as some representatives from all the other states. Representatives of a number of the companies that furnish supplies and equipment also attended.



AUTOMATIC AGITATOR stirs vat of milk being used in Melbourne to produce cheese for export. Mission finds good equipment sales prospects in Australian dairy and food processing industry.

Good contacts

The Conference included a trip to Werribee for the inauguration of the Gilbert Chandler Institute of Dairy Technology, a new training facility for plant operators. From contacts made at these meetings, plus those arranged under Mission auspices, a substantial number of interviews resulted.

In these interviews, Clinton Moore of G. W. Haab Co. of Richmond, Va., discovered several companies which could be considered seriously as licensees for Haab casing equipment. These contacts are being followed up and a definite arrangement is expected. This will probably involve the shipment of a few sample machines at the start, and a local manufacture under license in the future.

I distributed information designed for Australian companies which might be interested in becoming licensees or distributors of U.S. manufactures not already represented in Australia. This will be circulated to the member companies with the hope of developing interest in such arrangements.

Some types of automation do not have a market yet because the prevailing wage scale makes it less expensive to use people. Hand packing on one machine was carried out by girls making only $16 (Australian) a week.

Machine packing for that operation will only become practical when wages go up substantially or production volume makes speed more essential.

There are indications that several of the smaller companies are looking for ways to increase their markets. Milk distribution is controlled; route men serve assigned areas in which they have a monopoly. A good volume of yogurt and sour cream is being sold. Cottage cheese is just becoming popular. Frozen novelties are made, but not in the variety known in the United States.

A revolution is taking place in packaging. There is some use of plastic. Paper for milk has been limited to Perga containers; Pure-Pak is now coming into the market. Large containers for milk are unknown. The standard is the Imperial pint. Home delivery is daily, in early morning hours. Promotion of ice cream for home consumption seems almost nonexistent. One company uses an aluminum container in the shape of a small loaf pan.

There is a potential for these products in Australia, but it requires effective salesmanship. As the population increases, higher speeds and automation can be sold more effectively. Now the market would appear to be ready for new ideas and promotion efforts.

Other food processing areas seem in about the same stage of development. People have home freezers and refrigerators and frozen foods are available in the markets, but not in the same profusion and quantity as in the United States. To capitalize on the potential will require bringing in the more advanced know-how and equipment.

The Mission appears to have paid off in several areas already, and the information it has generated will bring further benefits in coming months.

Both objectives accomplished

My participation in the Pan Am Pacific Multi Trade Mission involved two roles: One, as a representative of the Los Angeles Chamber of Commerce; the other, as a product manager of FMC Corp.'s Riverside Division, interested primarily in assessing the Australian market for egg handling systems, and secondly in serving as a personal contact between four other Riverside product lines and FMC's subsidiary at Clayton, Victoria.

My objectives in both roles were accomplished.

It will be possible for me to present to the Los Angeles Chamber of Commerce a picture of growth potential for Australia, its outlook for development in the next ten years, and the warm welcome awaiting reputable American businessmen from all segments of Australian industry and government.

Also, I can now detail some of the reasons why Australian industry appears more interested in equipment versatility and reliability than in high capacity performance which prevails in the United States. The Department of Commerce briefings and contacts with the Commercial Officers in Sydney and Melbourne provided a perspective on how to do business in Australia.

My appointments with officials in the Commonwealth and State Governments and at the Egg Marketing Boards, and my visits to several production farms, processing plants and retail outlets provided me with a good picture of the market opportunities for FMC's egg handling systems. There is no question about the value of the mission to FMC-Riverside.

It was also possible to keep several appointments with prospective customers for other products of FMC-Riverside.

Most interesting to me personally was my feeling before the mission that I would finish in half the programmed time, only to find (on leaving Australia) that there had hardly been enough.

—David Copple,
FMC Corp., Riverside, Calif.

MISSION REPORT: SKILLS

Industrial community seen as receptive to training systems

Because of manpower shortage, service could expand rapidly

By JOHN A. DONLEY
Houston Training Center, Northern Systems Co.
Houston, Tex.

The industrial explosion now developing in Australia, triggered by important mineral and petroleum discoveries, has placed the importance and necessity for manpower training into focus. Interviews with state and federal labor and education officials as well as top industrialists reveals that the primary requirement lies in training for skill development.

Unemployment is a very low 1.8%, which indicates obvious problem areas for industrial expansion and development. It is also felt that the manpower shortage is responsible for a work force turnover of 120% in several industrial areas.

These findings show clearly that a real market exists for skill training systems and techniques utilized in the United States. The influx of "New Australians" from many countries shows the need for second-language teaching as well, and the industrial community was receptive to consulting and training services. An example of the magnitude of this problem is shown by one manufacturer stating that learning was extremely hampered due to communications difficulties created by the fact that 2,000 of his firm's 2,500 employees were "New Australians".

From a review of information developed from 37 individual interviews, it is very apparent that a small training consultant nucleus could start in business and utilize local technicians for support. This organization could expand rapidly as industry grows.

The requirements are great, the growth possibilities are tremendous and the business community is sincere and aggressive.

MISSION REPORT: TOOLS

Chance to sell lathe, other general-use units in Australia

Special purpose, high production tools market seen for long term

By HENRY FRECHETTE
Kingsbury Machine Tool Co.
Keene, N.H.

The immediate market for machine tools in Australia is more favorable to general purpose machine tools, such as milling machines, lathes, grinders, and boring machines. In some cases, numerically controlled tools of this type would be more marketable.

The market for single purpose, high production machine tools as we know them in the States is not yet highly developed. However, as the economy continues to grow and the population increases, this segment of the machine tool industry will become more important.

Most Australian plants operate under much lower production requirements than we find necessary: operators of machines can operate several general purpose machines and still maintain the necessary production; by and large there is a reluctance toward high capital expenditure for complete system manufacturing because low labor rates, coupled with the lower production requirements, make high investment difficult to justify economically at this time.

Trend toward more

There is a definite trend toward more automation in metal working, as evidenced in developments within individual plants. These have resulted in some savings of labor and are the usual forerunner to more sophisticated machines which we should be able to furnish.

We must not, however, overlook the fact that other countries have become good suppliers of machine tools and offer strong competition to U.S. firms.

Additionally, Americans are faced with a high tariff barrier which other countries negate somewhat by offering tax relief to exporters of equipment to Australia.

MISSION REPORT: NEW BELIEVER

Cajoled into making trip, Ohioan becomes apostle of trade missions

Finds promising markets for both his state's and his firm's goods; considers trade mission concept the best way to introduce products

By E. S. MULLIGAN
President, Ohio Manufacturers Association, Columbus

"Hello Ed, this is Glen Allen, Director of International Trade and Development, State of Ohio.

"Ed, you have heard of Governor Rhodes' program to increase export opportunities for Ohio manufacturers. Well, Pan American World Airways and the U.S. Department of Commerce are planning a Multi-Trade Mission to Australia and New Zealand Apr. 25-May 11, and we would like you to go, since you are president of a medium-sized manufacturing company and also president of the Ohio Manufacturers' Association."

One phone call

This is how it all began, my introduction to two weeks of hard work, market analysis, and eye-opening experiences. Just one little phone call, and I was cajoled into being a member of a trade mission with two specific challenges assigned to me:

- To analyze the Australian-New Zealand market as it pertains to Ohio manufactured products; and
- To attempt to interest some businessmen in the products that I manufacture.

Here I was, one of 54 who would be visiting Australia and New Zealand, and I had never left the continental limits of the United States before unless it was on a vacation.

Everywhere you look in Australia you can see new, modern, aggressive activities which I realized as a businessman, really could become a profitable part of my small company back in West Lafayette, Ohio. As President of the Ohio Manufacturers' Association, I can also see opportunities for other Ohio-made products and services.

As a starter I would urge all Ohio manufacturers to participate in the Ohio Australia-New Zealand Trade Fair scheduled for Nov. 7-18. They will be pleasantly surprised.

The Australian market is in need of machine tools, materials handling equipment, electric instrumentation, technical equipment, dairy products processing equipment, waste disposal equipment and hundreds of other products and equipment which are manufactured and sold throughout the world by Ohio manufacturers.

How could I, a small manufacturer of lighting fixtures, do business in Australia? What are the problems? Where do you start to learn about licensing, customs, quotas, standards, and technical matters?

My first interview was with an Australian businessman who was interested in discussing lighting fixtures and their use throughout the Australian market. We discussed the many limitations and technical matters which are imposed by differences in measurement and other restrictions. After a lengthy discussion, we decided that because of his knowledge of the Australian market, it would be best to approach this situation on a joint venture basis.

I had another informative and enlightening discussion along the same lines with another Australian businessman. We decided that it would be best to aim for a licensing agreement in this particular case.

This typical day continued for the next two weeks—with each day bringing more and more interesting and profitable applications.

Now it becomes my job to analyze the prospects for my firm's equipment on the Australian market. I can see a new and profitable division; I can see an expanding company; all because of a telephone call.

It is clear to me now after this first experience in a trade mission that we of the United States must take this route to educate overseas markets about our products and services so that our sales people who follow later will have the best possible reception.

MULLIGAN AND ALLEN (see article above) tell Australian businessman (r.) about Ohio-made products.

MISSION REPORT: FEED, WIRE, PUMPS

Minnesota group came, saw, was conquered by Australian market

Each member of Minneapolis trio reports achieving trip's goal; vow to return to cash in on 'tremendous market potential'

By LOUIS BREWSTER
Vice President, Wellens & Co., Minneapolis, Minn.

Three businessmen represented the Minneapolis Chamber of Commerce and their own companies on the Multi-Trade Mission to Australia, and each man's activities while in Australia could be summarized in one statement—

"We were wonderfully accepted; we were more impressed with what we saw than we had anticipated; we came with certain objectives which were accomplished, and more; we intend to come back for further promotion in the Australian market."

For myself as the representative of Wellens & Co., merchandisers of various protein ingredients for formula feeds for all types of animals, I can readily predict, as a result of this trip, new sales during the next three to four months amounting to at least $200,000. We have begun negotiations on two avenues that will aid in increasing our sales, and these include possible two-way trade as well as third country trades.

The potential in our field in Australia leads me to believe Wellens & Co. could someday, reasonably soon, be interested in a joint venture.

Fred Bieber, President of Acrometal Products, Inc. of Minneapolis, manufacturers of wire, machinery and equipment for handling both ferrous and non-ferrous wire, came to Australia to survey the market for his type of equipment, and to locate an agent if the situation warranted.

Both objectives were accomplished. An agent was appointed, and during Bieber's talks with various Australian companies he was asked to quote on over half a million dollars worth of machinery. There is strong competition in the Australian market for his products, but Bieber is certain that Acrometal Products will get its share.

Harry A. Murphy, Sr., director and past president of the Gray Company of Minneapolis, manufacturers of pumping equipment and accessories, came to work with his firm's Australian representatives in determining whether all possible sales fields were being investigated. Murphy found that most fields using Grayco equipment were being sold Grayco products, but in addition at least two new potential outlets for Grayco equipment were uncovered, and these should bring in several thousands of dollars in additional sales beginning almost immediately.

Our three-man group was unanimous in its conclusions that the Australian market potential is tremendous:

"We came, we saw, we were impressed,
"We sold, and we shall return soon."

MISSION REPORT: EQUIPMENT

Interest is shown in waste treatment, power generation

Steps taken toward two joint ventures; moderate market seen

By WALTER M. DOTTS, JR.
Electro-Processes Co., Richmond, Va.

The company I represented, Electro-Processes, is small (net worth under $1 million) and was new to exporting prior to participation in the Pan Am Pacific Multi-Trade Mission.

Two types of joint venture operations with Australians were investigated:

- Consultation services relating to purification and reclamation of water from industrial waste effluents; and
- Manufacture and sale of direct current electric power generation equipment for use in primary metal industries.

A joint venture proposal in the water purification area was tentatively reached and should result in contracts with Australian industries amounting to over $300,000 per year after one year.

A joint venture proposal in power generating equipment is under study and may result in the sale of several primary metal refining plants over the next five years. Such plants would involve capital investment on the order of $500,000 each.

In addition to the results reported above, inquiries from Australian industry for sewage and waste water treatment equipment produced by other firms in the United States are being forwarded to the appropriate suppliers. While there can be no clear estimate of the potential volume of sales which may result from these inquiries, the value on the American market of the equipment sought is in excess of $250,000.

A moderate sized market can be expected to develop in Victoria over the next five years for industrial water reclamation equipment. The need for water reclamation in Victoria (centered in the Melbourne area) will continue to stem from the present cost assessed to industrial users by the Melbourne & Metropolitan Board of Works amounting to 45¢ per thousand gallons of water used and discharged into sewers and will be augmented by any continuation or repetition of recent drought conditions.

Without the adoption by Victorian industry of modern water reclamation processes, some industries may face curtailed growth due to actual unavailability of sufficient water for manufacturing.

Emphasis is switched

The Pan-Am Pacific Multi-Trade Mission marked the first time that an airline devoted an inaugural flight to promoting trade instead of passenger travel, according to John V. Lombardi, Pan Am's Manager of Marketing Services. He said that the best way to multiply exports is to let American businessmen know the quality and quantity of opportunities for overseas sales.

"Aviation, now that it has an adequate vehicle—the jet—will follow the pattern of land and sea transport: beginning by carrying passengers, but eventually carrying far more freight than people. Modern communication and transport will cause international trade to skyrocket in the next decade; so will aviation's biggest growth area, air cargo," according to Lombardi.

AT BUSINESS INFORMATION CENTER set up by mission in Sydney, Aubrey K. Barlow (facing) and H. M. Hamilton (right), authors of the accompanying article, discuss oil pipelines with a local businessman.

MISSION REPORT: MINING

Oil, gas, nickel discoveries spur Australian development

U.S. products expected to play big role in growth of petroleum industry; businessmen, government invite U.S. techniques

By AUBREY K. BARLOW
McVean & Barlow, Odessa, Tex.
and H. M. HAMILTON
Bell Engineering, Odessa, Tex.

The Australian business community is pulsating with increasing intensity due to the series of recent oil, gas and nickel discoveries.

Australians are not particularly worried at this time about any problem of imbalance in imports and exports. They feel confident that as they develop their industrial potential they will be able to maintain their position in a free world market.

Most Australians feel that the country's future trade will be done principally with the United States and Japan, with the United Kingdom dropping back to third place.

Whatever resistance has existed in the past to U.S. capital flow into the Australian economy is rapidly fading, and the Australian business community and Government are aggressively inviting such capital.

We got the impression that joint ventures would probably be desirable but no such suggestion is openly made. Our conclusion is that Australia represents an opportunity for investment with many years of continuing energetic development a strong possibility.

Australia has large reserves in oil and gas, with exploratory drilling, production and transportation in infancy at this time. The import impact of this industry on the Australian economy will be major, as it is in the United States.

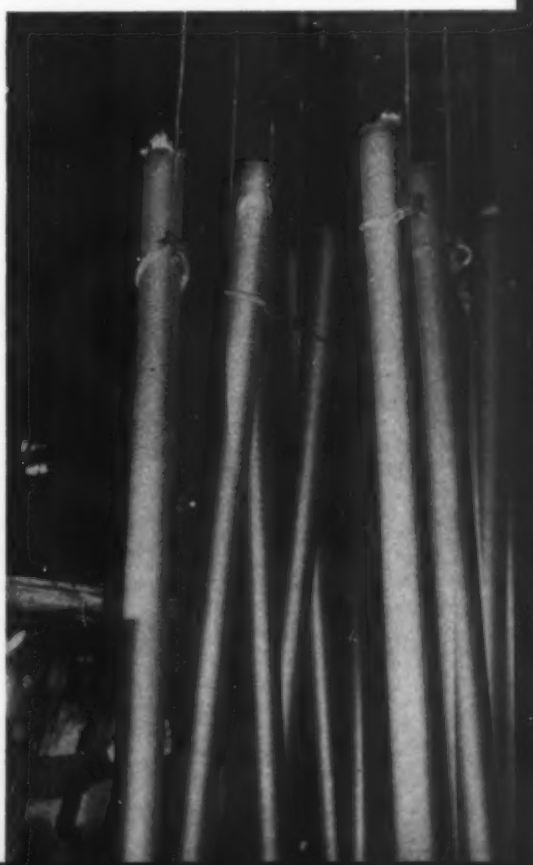
Australia needs U.S. capital, equipment, and technology and realizes this. U.S. involvement in developing this segment of the economy will probably be major. However, Italian, German, French and other European involvement also will be substantial.

Biggest problem

The biggest problem, as we see it, is the extent of Government involvement as owner or part owner in much of the petroleum program. This will slow the development of the industry and obviously politics will be involved to some extent. We hope that the business community and labor unions will exert what influence they can to get Government to reduce its role and let free enterprise move into leadership. We feel that this would ensure a much more efficient, productive and accelerated growth in such an important segment of the economy.

The Trade Mission was very satisfactory from both the U.S. and Australian point of view. Australian businessmen are knowledgeable about U.S. business, respect our technological advancements, feel we have something to sell that they want to buy, welcome our involvement in Australia, feel our future relations will be of mutual benefit, and are willing to do business with us with mutual respect already a reality.

MINERAL DEPOSITS Down Under also include bauxite. Below, extrusion billets at smelting plant of Alcoa of Australia Pty., Ltd., near Geelong, Victoria. Firm gets bauxite from Perth deposits.



FAMILIAR PRODUCTS greeted North Carolina's mission members—such as the cigarettes made at this Rothmans of Pall Mall Australia plant—in Sydney. The group was optimisitic about trade prospects.

MISSION REPORT: NORTH CAROLINA

State-organized group sees market potential in Australia

N.C. Development Department, after earlier successes, considers sending full-member mission Down Under

By RONALD E. McCOWEN

Department of Conservation and Development, Raleigh, N.C.

After recent successes achieved through trade missions to Europe, Scandinavia, and Latin America, the State of North Carolina early this year considered Australia and the Far East as areas for future missions. The Pan American Pacific Multi Trade Mission provided an excellent opportunity to further study the possibility of a full-member North Carolina trade mission to Australia.

The participants returned enthusiastic about the market potential there. They visited both Sydney and Melbourne.

The reasoning behind North Carolina's participation in the foregoing mission was twofold: The desire to explore and establish areas of need within specific commodity or product groupings, and to discuss investment possibilities with emphasis upon reverse investment in North Carolina together with talks concerning joint venture in Australia. Personal contacts aided our research—which necessarily included banking officials, chambers of commerce, private enterprise, officials representing State-Federal trade and industry departments, Reserve Bank authorities, ministers of state development, and U.S. Commercial Officers.

Product groupings offering promise for expanded U.S. exports are heavy construction equipment, packaging machinery, teaching aids and educational equipment, and electronic instruments for industry process control, to name a few. While most firms, as well as government agencies, had not considered discussing reverse investments in North Carolina, there was a willingness to pursue these matters.

The Australian Government, acting through the Reserve Bank and Treasury Department, is empowered to restrict capital outflow, unless it will increase Australian exports or protect an export market that they would otherwise lose. Thus, applications for foreign investment may be approved where long-term benefits will result to the country. Australian companies of vision were seriously interested in the advantages of establishing an additional operation in the United States with a view to personally visiting North Carolina plant sites.

The concept of the "multi-trade mission" should be retained and utilized again and again because of the flexibility and latitude for success over the more limited vertical missions of the past.

Sharing the conclusion of the success of this mission are representatives from two North Carolina companies that took part: G. R. Babcock, Pelton & Crane Co. of Charlotte, manufacturers of dental equipment, and B. L. Gill, Strandberg Engineering Laboratories, Inc. of Greensboro, manufacturers of electronic instruments for industrial process control. Aside from initial contacts with importers which proved fruitful, both companies anticipate a large share of the Australian market during the next 12 months.

Textile equipment

Australia is a land of opportunity. There is a market for our electronic instruments for textile plants, and with the potential growth of the country, the long-range prospects look very encouraging. I interviewed 13 different company representatives that wish to handle our equipment, and have left literature with each of them.

The only problem I found was in servicing for technical electronic instruments. After talks with several companies that wish to service only our instruments, I feel this can be overcome.

The only competition we have in Australia are the Germans, and they have the same service problem. We can compete with the Germans in price and quality.

Since no instruments in our line are presently being manufactured in Australia, we would receive the lowest tariff rate.

Most of the company representatives I interviewed agreed that the Australian textile industry has just begun to turn to automation. Therefore it appears that long range prospects are excellent.

—Bobby Lee Gill

Standberg Engineering Laboratories
Greensboro, N.C.

MISSION REPORT: CONTACTS

Australian traders requested extra talks with members

IEA director undertook specific tasks requested by group

By F. D. LEHN

International Executives Assn., New York

Australia's businessmen showed up early and stayed late at their interviews with the mission members, and then they asked to talk some more! Naturally, we made every effort to oblige.

International Executives Association members submitted a number of interesting and diverse commissions for me to undertake in Sydney and Melbourne. A few of these commissions were successfully carried out, several were partly developed, and a few involved making proper contacts with possible implementation at a later date.

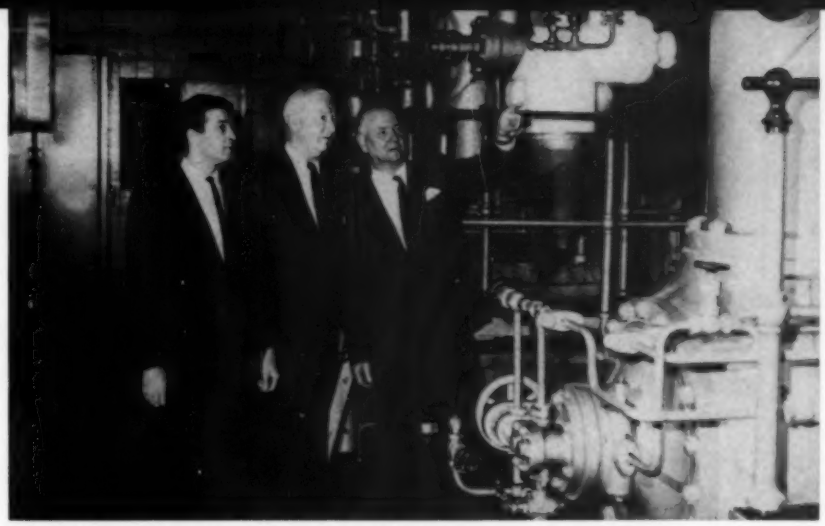
In due course, each IEA member originating a request will be given a detailed report of all developments to date.

Briefing in Pago Pago

A briefing session was conducted for all mission members under the benign skies of Pago Pago the day before we left for Sydney. Everything told to us on this occasion was found to be true, particularly that the Australian businessman was friendly, capable and kept his appointments with scrupulous punctuality.

Most interviews were fully programmed in advance of our arrival. However, many Australian businessmen requested additional interviews, possibly as a result of a Pan American World Airways advertisement which appeared in the Australian dailies, captioned "These American businessmen didn't come all the way from America just to see kangaroos", and most requests of this kind were accommodated, despite the already crowded schedules of the mission members.

Of special interest to IEA members, during the course of my visit to Sydney and Melbourne definitive steps were taken toward an affiliation between the Company Directors Association of Australia Ltd. and the International Executives Association.



NATIONAL AND REGIONAL Export Expansion Councils were represented on the trade mission. Above, C. L. Babin (center) of Dunham-Bush International examines chilling compressors at Melbourne brewery.

MISSION REPORT: THE FUTURE

Development, expansion seen; Australian exports increase

Recent oil, other mineral discoveries add wealth to nation's economy; NEEC/REEC members exchange views with leaders

By WILLIAM MURIALE

Bank of America, San Francisco, Calif.

Australian development and potential is reminiscent of the "Italian miracle." This miracle, however, is based on a more solid foundation. The recent mineral and oil discoveries continue to add wealth to the nation which will tend to compound national development.

Water resources discovered at Alice Springs will undoubtedly change the arid complexion of the interior and it is not unreasonable to assume that it may well alter the climatic conditions of the area.

The country's trade patterns are changing, and changing rapidly, and its Commonwealth ties are being diluted.

Australia is just crossing the threshold of a tremendous economic breakthrough. The pace of this expansion will no doubt be determined to quite an extent by the availability of capital for development and growth. If the country can keep this thirst satisfied and can attract the substantial migrant population which she will need in increasing numbers, a brilliant future is assured.

Several participants on the Multi-Mission were representatives of the National or Regional Export Expansion Councils. Our meetings with the Department of Decentralization and Development and with the Sydney Chamber of Commerce were carried on in an atmosphere of complete frankness and with a desire to understand each other's objectives and problems better. Certainly in our balance of payments problem there was a very definite indication of sympathetic understanding and a desire on the part of our hosts to cooperate with us in helping to resolve it.

The same attitude and understanding prevailed in our meeting with the members of Parliament in Canberra and with the Victorian Chamber of Manufactures in Melbourne. We have staunch friends and supporters both in government and in the business community in Australia.

Of particular interest was the opinion and feeling of the people both in government and in business that export incentives have been extremely useful in the expansion of Australia's export trade.

Export incentives apparently have been found helpful from a psychological standpoint as well as from financial points of view—instilling in many potential exporters the feeling that government has a desire to help them succeed.

QUEEN'S WHARF at the end of Queen Street in Auckland, handles a volume of New Zealand's foreign trade. Eleven mission members formed a mini-mission to several New Zealand cities.

MINI-MISSION REPORT: NEW ZEALAND

Eleven members fly to Auckland, several do business on the spot

Putting aside "hard sell," group views the potentialities in neighboring market, where diversification is progressing

By C. ALPHONSO SMITH
Assistant to Director, Office of Publications and Information, DIB

When the Pan Am Multi-Trade Mission completed the last of more than 800 personal meetings with Australians, 11 of the businessmen members went to New Zealand for a first-hand look-see at the youngest, smallest and most remote of the original British Dominions.

In two days, one of which was a Saturday, the 11 mission members called on more than 60 New Zealand businessmen. They traveled by plane to Wellington, New Zealand's capital; by car to to Hamilton, 80 miles away, and by shank's mare up and down "Coronary Hill" in Auckland.

Grass is New Zealand's gold with 60 million sheep and 8 million cattle grazing her pastures. Meat, wool and dairy products have given New Zealand one of the highest standards of living in the world. Only the United States has more cars per capita than New Zealand's one auto for every 4 persons.

Mission members put aside the "hard sell" technique to take a good, hard look at the potentialities of the market. All were glad they went and several did some business.

One member consummated the sale of a $150,000 portable coating plant for the Auckland-Wellington pipeline. One man found a manufacturer for a special product he was representing and agreed to look for a manufacturer in the United States for two unusual products made in New Zealand. Another straightened out an order which saved his company $2000 to $3000.

A third interested Auckland city officials in having his company bid on $300,000 to $400,000 worth of equipment which he might never have heard about. Two members of the Mission worked out arrangements whereby their Australian distributor would step up efforts to service the New Zealand market and another lined up an agent.

Focus on diversification

Fluctuations in world prices for wool and restrictions on dairy products in other countries have carried the country, according to one New Zealand businessman, from one crisis to another. Diversification is now the order of the day in New Zealand.

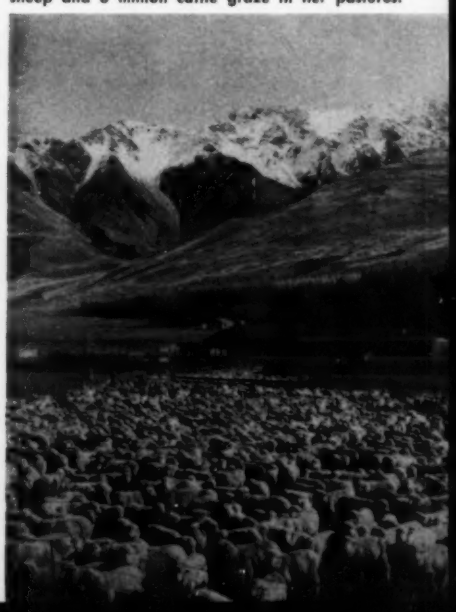
A promising start has been made in the manufacture of consumer durable goods, cement, fertilizers, forest products, oil refining and food processing. The visit of the U.S. Trade Mission Member to New Zealand cannot help but speed this process.

Trade Mission members who went to Auckland were:

Aubrey K. Barlow, executive vice president, McVean & Barlow, Inc., Odessa, Tex.; Fred Bieber, president, Acrometal Products, Inc., Minneapolis; Louis R. Brewster, vice president, Wellens & Co., Minneapolis; David Copple, product manager, Food Machinery Corp., Riverside, Calif.; Joseph S. Cunningham, executive vice pres., Dairy and Food Industries Association, Washington, D.C.;

Paul Girton, president, Girton Manufacturing Co., Millville, Pa.; H. M. Hamilton, president, Bell Engineering Inc., Odessa, Tex.; Douglas Lapham, Smart & Associates, New York City; F. D. Lehn, executive director, International Executives Association; John H. Maffeo, Chemec System, Inc., Phoenix, Ariz.; Bruce Nicholson, Intoplan Division, Communications Affiliates, Inc., New York City.

GRASS IS GOLD in New Zealand, where 60 million sheep and 8 million cattle graze in her pastures.



CITES 1930 PRECEDENT

Smith warns on barriers

Commerce Secretary tells World Trade Day luncheon U.S. may drift into protectionism

Secretary of Commerce C. R. Smith, in his May 20 address to the World Trade Day luncheon in New York's Plaza Hotel, outlined a basic issue facing the U.S. exporting community today, and warned against a return to protectionist trade policies. His text follows.

We are not without problems. There has seldom been such a time of testing for American trade policy as we face today. We have an enormous stake in keeping and extending the benefits of 30 years of constructive trade policy.

C. R. SMITH

The issues are not difficult to understand. Do we seek to improve our own competitive ability while at the same time permitting other nations to compete with us or do we draw back into our shell, confess that we have lost the ability to compete on an equal basis and begin to erect barriers to prevent the free interchange of commerce?

Solid foundation

Our trade policies, on the whole, have served us well. They do need to change from time to time, to meet the requirements of changing conditions. And they have changed and will change. But they are today on a solid foundation of principle and there is no need whatever at this time for precipitate and drastic policy changes.

A number of industries believe that they should have protection, acknowledging, in a way, that they are no longer confident of their ability to compete. But the problem is that it is difficult to give protection, by quotas or otherwise, to a single industry, or a limited number of industries, without opening the door to such a host of demands that if even a part of them are satisfied the foundation is gone from the basic national policy.

The second wrong assumption that many make is that protective measures can be unilateral; that other nations will not necessarily retaliate.

We do not need to guess about potential effects: In 1930 we started out to provide protection for a limited range of agricultural products, by raising the tariffs.

But before the legislation was completed, to emerge as the Smooth-Hawley Tariff Act, there were tariff increases on more than 800 rates, including a wide range of industrial products.

Not an island

And what did the legislation accomplish? The largest trading nation in the world concluded that it could defend its own economy against depression by excluding foreign products. The smaller and more vulnerable nations were forced to follow our lead. There was a worldwide spiral of retaliatory and defensive trade and exchange barriers. It did great damage, not alone to our economy, but to the economy of our trading partners. Do we want to embark on another such sad mission; does the study of history prove nothing except that men do not learn from history?

The United States is not an island in the sea of world trade. Our economic welfare is inseparable from that of our trading partners, as their own is intimately tied to ours.

Have Presidents Roosevelt, Truman, Eisenhower, Kennedy and Johnson all been wrong? Since the middle of the 1930's, they have tried to lead the Nation and the world toward further freedom in trade.

We have been one of the leading proponents of GATT, and one of its principal beneficiaries. Clear, tangible progress has been made, last year and this year, in reducing the barriers to world trade.

Must choose direction

We cannot go in two directions at the same time—either we must go down the road which provides more trade and more freedom to trade, to all, or we must retrace the dismal road of trade barriers and protection finally to arrive, perhaps, where Americans trade only with Americans, Europeans with their own countrymen, and the Japanese only with their Asian neighbors.

The obvious answer is that we do not want to "steer" in that direction but do we recognize that we are "drifting" in that direction?

Tariff unit to investigate non-rubber footwear industry

President Johnson has ordered the U.S. Tariff Commission to investigate the economic condition of the domestic producers of non-rubber footwear. Representative Wilbur Mills, Chairman of the House Ways and Means Committee joined in the request.

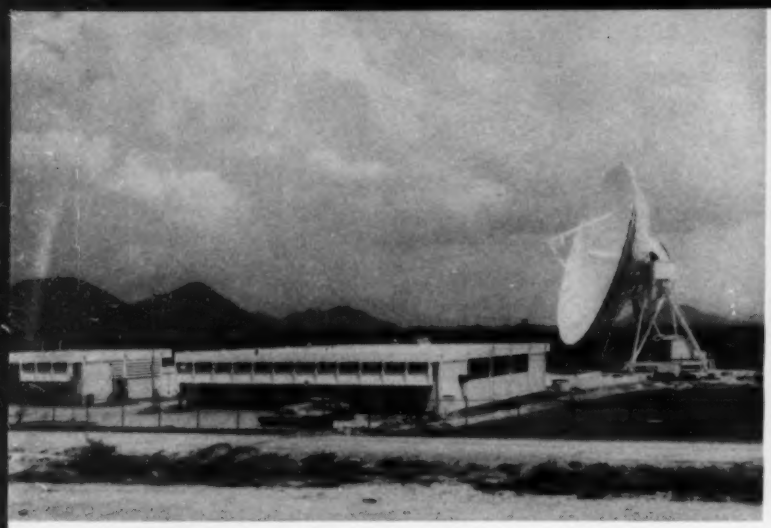
The President asked the Commission to study all factors which relate to the economic condition of such producers, including, but not limited to, production, sales, investment, employment, prices, profits, exports, imports, United States tariff treatment, the participation of such producers in international trade, and, in particular, the effect of imports upon such producers, including the competitive relationship between imports and their products.

The term "non-rubber footwear" refers to footwear of the kinds described in Part 1A of Schedule 7 of the Tariff Schedules of the United States, other than the footwear described in items 700.51, 700.52, 700.53 and 700.60.

Interested parties are invited to submit information pertinent to the investigation. Submissions shall include a signed original and nineteen true copies. Business data which are deemed confidential shall be submitted on separate sheets, each clearly marked at the top "Business Confidential". All material submitted, except confidential business data, will be made available for inspection by interested persons.

A public hearing probably will be held in connection with this investigation. Notice thereof will be issued in due course at a later date.

All communications regarding the Commission's investigation should be addressed to the Secretary, U.S. Tariff Commission, Washington, D.C. 20436.



DISTINGUISHED CUSTOMERS inaugurated the direct telephone service between the United States and Thailand via satellite, made possible by the Eximbank-financed earth station at Sri Racha, south of Bangkok (left). Pres. Johnson and Thai Prime Minister Kittikachorn spoke from White House.

Eximbank support helps U.S. firms win contracts to supply satellite communication stations

Increasing costs of space communications lead to expanded financial role by United States' official export credit agency

In the rich but brief history of space communications, technology has progressed so rapidly that one might almost regard Echo I—the first American communication satellite—as "steam driven." As the art of space communication has advanced, so has the cost.

America's official export credit agency, the Export-Import Bank (Eximbank), has quite logically been called upon to assist in financing the ground stations still needed to complete communications via satellite.

Perhaps one day it will be possible to transmit messages via satellite and receive them on home radio and television sets, but that day still seems far off. Meanwhile, the sophisticated equipment needed to pick up signals bounced, relayed, or retransmitted from satellites, as well as sending outgoing signals, will remain an essential ingredient of the continuing communication revolution.

In many respects, American engineering and research mean that these ground stations can be better built by American suppliers. But every businessman knows quality is not the sole weapon in a bidder's competitive arsenal. Delivery schedule is important, as is price. Eximbank cannot help in any of these areas. Where it can be of considerable service, however, is in the field of credit—a vital competitive weapon.

Credit as a means of competition must be used with care. Excessive terms can increase the risk of default, and in time will become vitiated as others match the softer proposals. One way this pitfall has been avoided is through the international association of export credit insurers known as the Berne Union. Eximbank is a member of this organization, which was established shortly after World War I as a means of preventing international credit races.

In general, the credit terms which Berne Union members offer to cover for exporters within their respective countries are those which are normal for the specific goods in international commerce. For almost 50 years this system has worked pretty well. Today the United States has another reason for avoiding unnecessarily long credit terms—the sooner exports are paid for, the sooner the benefit to our balance of payments.

Eximbank has evolved a number of approaches to ensure that American suppliers can meet credit competition in selling on world markets those items of equipment and service which contribute to improved world-wide communication.

While much of this equipment is best financed through the commercial banking system, with or without Eximbank's guarantee or protection by the Foreign Credit Insurance Association, other undertakings are eminently appropriate for Eximbank's direct loans.

At this point in its 34-year history, it is safe to state that Eximbank has probably helped to finance every aspect of the communications revolution—printing presses, broadcasting equipment, microwave systems, navigational aids, and most recently, satellite ground stations.

The first ground station credit authorized by Eximbank was in February of 1967. That $5.9 million loan helped International Telephone and Telegraph Corporation to win the bid for two stations in Spain, one near Madrid and one in the Canary Islands. Both of these facilities are now operational.

Eximbank's second ground station credit was authorized in April 1967, when $4 million were allocated for a station at Si Racha, some 50 miles southeast of Bangkok. This station, built by General Telephone and Electronics International, Inc., was inaugurated early this month when President Johnson and the Prime Minister of Thailand, who was visiting the United States, spoke via satellite to officials in Bangkok.

There are a total of 16 such ground stations in the U.S. communications satellite system.

For many years communications have been a serious bottleneck in South America. In some places it is still necessary to call a neighboring country via

New York. This results in high costs, low quality voice transmission, and delays. Mid-20th Century technology indicates that satellites may prove considerably less expensive than land lines or even international microwave systems.

Today Eximbank has on its books two credits to finance ground stations in South America. One, for $5.4 million, was instrumental in gaining success for General Telephone and Electronics Inc., in its bid for a turnkey contract to build a station in Chile. Under the terms of this contract, the new station will be completed this July, and GT&E will provide technical training and management support for the first year of operations.

In March of this year Eximbank established a $2.4 million credit to help finance the dollar costs of a ground station in Brazil being built by Hughes Aircraft International Service Co., also under a turnkey contract. This station is to be operational within a year.

In April a $3.7 million credit was authorized to help finance a ground station in Korea, to be completed in 1970. The Korean Ministry of Communications has yet to select the U.S. supplier.

In each of these instances, credit played an important role in assuring that the equipment and services imported by the buyer were of U.S. origin. At the same time, Eximbank was careful to avoid the long repayment terms often associated with Government-financed exports. Today Eximbank has a fairly standard approach to financing these ground stations.

As with all Eximbank credits, disbursements are made directly to the U.S. supplier upon receipt of evidence of shipment from the United States. With respect specifically to financing of satellite ground stations, Eximbank expects a cash payment to be made by the overseas buyer of at least 10% of the contract price. The financed portion is normally to be repaid in 16 semiannual installments beginning six months after the station is completed.

Eximbank assistance to finance other equipment in the communications field often requires a cash payment and supplier participation of at least 10% in the financed portion.

With Eximbank credit, coupled with commercial bank financing and credit insurance, the cases where an American supplier will fail to gain a contract on the basis of inadequate credit support are indeed rare. As a matter of fact, in one case involving a ground station, Eximbank agreed to negotiate a loan in order for the American supplier to enter a bid.

Buying local money through U.S. Embassies aids payments balance

Purchases of Government-owned money can be made in seven foreign countries; sales keep dollars under U.S. control

Growing numbers of American businessmen and other U.S. citizens abroad continue to help reduce the dollar outflow by buying foreign currencies from the U.S. Government. Such purchases last year equaled the combined purchases of the previous four years. The result was a relatively small but growing savings to the U.S. balance of payments.

American businessmen and U.S. tourists visiting or residing in Ceylon, Guinea, India, Israel, Pakistan, Tunisia, and the United Arab Republic (Egypt) can purchase local currencies of these countries through the U.S. Embassies and Consulates there for local business and travel.

When U.S. citizens, including business firms, purchase their currency requirements in this manner, there is a favorable impact on the U.S. balance of payments since the dollars flow into U.S. Government accounts. Thus, to the extent this facility is used, there is no outflow of dollars to foreign holders, even though the transactions take place abroad.

Sales are made at the official rate of exchange, and there are no commercial bank fees. Payments may be made in U.S. currency, personal checks drawn on an American bank, or U.S. travelers checks.

The lone exception to this procedure is Tunisia, where, because of local foreign exchange regulations, the Tunisian Central Bank charges a small conversion fee and makes the physical conversion. American citizens visiting the Bank are advised to request specifically that they be sold Tunisian dinars from the U.S. Government's account to avoid dollar outflow.

Balances of these countries' currencies are available for sale to U.S. citizens as a consequence of special arrangements made with the respective foreign governments, and because official holdings of these currencies exceed the amounts necessary to pay for U.S. Government activities in those countries.

Since October 1964, all local currency sales agreements made under PL-480 (the Food for Peace Program) have included provisions for local currency sales both to U.S. tourists and businesses.

However, such sales are only made in the few countries where our foreign currency holdings are in surplus supply. In most areas of the world, including all of Western Europe and Latin America, our official needs exceed our supply, and sales to private persons would merely involve increased administrative costs with no balance-of-payments benefit.

The procedures governing these sales have been designed to ensure compliance with U.S. domestic legislation, with U.S. obligations under the International Monetary Fund, and with the foreign exchange laws of the foreign country.

As a result, in addition to sales being made only at the legal official rates of exchange and only to United States citizens who must show their passports for identification, U.S.-owned foreign currencies must be purchased and spent by private citizens in the country in which they originate.

The U.S. has further agreed in most cases to make available only specific amounts of currency to its tourists and businessmen. However, substantial unsold balances are currently available for this purpose in all seven countries.

A Treasury Department pamphlet describing the procedures for purchase and the locations of purchase is available from: Director, Office of International Economic Activities, U.S. Treasury Department, Washington, D.C. 20220.

Libya mail delayed

To avoid delays of up to six weeks on priority mail in Libya, the U.S. Embassy in Tripoli recommends that letters be sent from the U.S. separately from enclosures, as mail with enclosures seems to be receiving "printed matter" processing.

Where prompt response or notification is required, the Embassy suggests that letters be air-mailed without enclosures. Enclosures should be sent separately, but with copy of the original correspondence. Airmail without enclosures is usually delivered within a reasonable period.

AID backs U.S. firms

Investment guaranty program insures American ventures in 81 developing countries

By DAVID FEEHERRY
International Finance Division, BIC

Considering expansion in a country that some of your stockholders couldn't locate on the map? Concerned about the country's political climate as it might affect your investment project? Insuring businessmen against such political uncertainties in 81 developing countries, and certain business risks as well, is the job of the investment guaranty program of the Agency for International Development (AID).

American businessmen's use of this AID program to guard against business losses in the developing world is at the highest level in the 20-year history of the operation. As a matter of fact, the dollar amount of investment guaranties issued by AID in 1967 almost doubled the entire amount issued during the first 15 years of the program, according to recently released statistics.

To a certain extent this reflects the rise in American investment in less-developed countries, which increased from $9.4 billion in 1957 to over $16 billion by 1966.

To a greater extent, however, it reflects the growing familiarity of the international business community with the administration of AID's guaranty program and the coverages available. It is also likely that expropriation of American property in Cuba, where no investors had sought coverage, led to an increased interest in available protection against political uncertainty.

Recognize private role

Both developing and developed countries recognize the contribution to economic development provided by private investors, including the transfer of technology and managerial skills.

Over the past few years about one-third of the financial flow from developed countries to less-developed countries has come from the private sector. The foreign assistance programs of the United States have provided a number of incentives, from general information to direct loans, in order to induce American firms to carry out investment programs in the less-developed countries.

Although the temporary balance-of-payments measures announced on Jan. 1 require a moratorium on new investment in continental Europe, firms may transfer capital to less-developed countries up to a level of 110% of their average direct investment in such countries during the base period of 1965-1966. Thus, although private capital outflows are restricted, AID does not expect any decline in applications under its most active program of assistance to American private enterprise—the Investment Guaranty Program.

This program was begun in 1948 and was initially used primarily to insure American investors against the risk of inconvertible currencies in post-war Europe, and to a lesser extent against the risk of expropriation. Since 1959, however, no coverage has been available in any developed countries, and there have been a number of changes in coverage since the program began.

What is covered

At present the program insures investors against the three specific risks of:

1) currency inconvertibility,
2) expropriation or nationalization,
3) war, revolution, and insurrection

(the latter two coverages can be combined at a lower premium).

An extended-risk coverage first used in 1963 covers both political and commercial risks of a business venture. In addition, AID has a guaranty program specifically for housing investments, primarily in Latin America, which is not covered in this article.

The total dollar amount of individual policies issued for the three specific risks rose from $71 million in 1961, to $441 million in 1962, to $953 million in 1965 and to $1.9 billion last year.

Since an investor may obtain more than one type of policy coverage on the same investment, the actual investments covered may be worth only about one-third of the amount of the policies written. An estimate of the actual investments covered since the start of the program places this total at over $2.2 billion to date.

Last year's Foreign Assistance Act raised the ceiling on the amount of outstanding guaranties from $7 billion to $8 billion. As of December the face amount of such guaranties outstanding was approximately $5 billion, with a large volume of applications in process. This represents outstanding amounts on over 3,000 policies issued through 1967. The largest amount of coverage is for currency inconvertibility ($2.2 billion), next is expropriation ($1.4 billion), then war risk ($600 million) and combined war risk/expropriation ($700 million). The newer extended-risk program accounted for $63 million. The separate housing program primarily for Latin America is not included in these figures.

AID investment guaranty coverage is now available in over eighty countries, from Afghanistan to Zambia.

Before the program can be instituted in any country AID is required by legislation to make suitable arrangements for protecting its interest regarding the disposition of claims. So AID must reach an understanding with each country on matters such as the treatment of currencies of other assets that might be acquired by AID following payment of a claim. Thus some countries have not agreed to the program while others have agreed to some coverages but have not agreed to all.

Over one-half of the investments covered so far have been in Latin America, with the largest amount of coverage ($1.3 billion) in Chile.

Unlike a private insurance company which is concerned with limiting its risk exposure, this program is intended to attract investment to countries which have the greatest need but also the highest risks. Thus AID will insure an investor against war risks in South Vietnam for the same premium which would be applicable to any other area and, conversely, will not write insurance in developed countries.

Since the program does not cover risks that could be covered commercially, the comparison with a private insurance company is not realistic; but so far its income exceeds its losses. Through December it had paid claims of $660,000 and had several million dollars in potential claims pending, but its receipts from fee income were over $50 million.

Criteria

Specific risk guaranties are generally available under broad criteria for new debt or equity investments by American citizens, or firms substantially owned by American citizens, in less-developed countries which have agreed to the program.

Since an investment must be new, a potential investor should inform AID of his intention to invest prior to making a firm commitment to a project. Reinvested earnings for plant expansion may be covered as well as investment in a new project.

In general the investment must benefit the economy of the host country, with emphasis on the private sector. Within these general guidelines numerous questions might arise regarding specific transactions which AID's Private Investment Center would determine.

For example, acquisition of existing investment is generally not covered, but it might be if it were part of an expansion project; short-term supplier credits are never covered, but long-term credits with developmental effect might be; licensing of technology might be covered while other intangibles such as trade marks would not be.

Greater security

Since extended-risk guaranties provide greater security to an investor, the criteria for such guaranties, especially with regard to economic development benefits, are more restrictive. In general AID would issue extended-risk guaranties to private investors only for high priority projects which might never be undertaken without official assistance. While AID would take into account the effect of any investment to be guarantied on the U.S. balance of payments, there are more definite guidelines assuring that extended-risk guaranties are not issued unless a substantial amount of U.S. procurement is involved in the project.

Specific risk coverages

Inability to convert actual profits or earnings or return of the original investment into dollars. If a firm invests in a country with the understanding that it can remit profits and later this is not allowed either by a new law or policy, by the failure of the government to act on a legitimate request to transfer funds, or by a government decision to convert into U.S. dollars at a discriminatory rate, then the guaranty program will pay the investor U.S. dollars equivalent to 95% of the currencies he wishes to transfer. The 5% margin takes account of transfer costs, taxes and exchange rate fluctuations normally borne by investors. The program is not intended to insure stability of exchange rates, since there may be good reasons for fluctuations, but insures that a transfer can be made at the applicable rate of exchange.

Loss of investment due to expropriation, nationalization or confiscation by the foreign government. Normally any government compensates private owners for expropriatory acts, but this may be denied or delayed or insufficient in particular cases. The program insures dollar payment to investors of a fair estimate of loss, up to the amount of the guaranty. Generally a taking of property without compensation is covered, but there are many other actions which interfere with business operations or financial transactions, usually termed creeping expropriation, which may also be covered. Since there are so many variables in this area, an investor should discuss with AID the types of governmental action which would be considered expropriatory.

Damage to, or destruction of, tangible property attributable to the investment as a result of war, revolution or insurrection. This coverage would insure payment for loss of an investor's interest in a plant which was destroyed or damaged by hostile acts of any national or international organized force, or organized revolutionary or insurrectionary forces, including acts of sabotage.

For each of these three coverages the investor selects the amount of investment to be covered for the forthcoming year, and the maximum amount to be covered during the life of the guaranty contract. The difference, i.e., the stand-by amount for any one year, carries a lower premium than the current amount. The maximum term for guaranties of equity is ordinarily 20 years, for loans it is the life of the loan. The annual fee is 0.25% for convertibility, 0.5% for expropriation and 0.5% for war risks. The latter two risks may be combined with a fee of 0.875% for both. The annual fee for the stand-by amount under each coverage is 0.1%.

HARD-TO-INSURE PROJECTS can be covered under AID's Investment Guaranty Program, which covers ventures by U.S. firms in developing nations, such as this inland grain storage terminal in Thailand.

Extended-risk coverage

This program covers all the political risks mentioned above, plus commercial risks such as inability to service loans or bankruptcy. Apart from fraud or misconduct by the investor himself and risks for which normal commercial insurance is available, all possible risks are covered to the extent of the guaranty.

The Foreign Assistance Act provides for coverage of up to 75% of an investment, but obviously an equity investor with management responsibility should be willing to assume more risk than an institutional lender which is merely providing capital but has little or no involvement in the success of a project. Thus an equity guaranty would not normally exceed 50% of an investment. A loan guaranty would cover 75% of a loan investment, and a particular lender could, in effect, receive 100% coverage as long as other loans amounting to 25% of the total were not guarantied. Thus institutional lenders which have legal or other restrictions on the types of investment they may make

and which would not otherwise invest in risky projects in less-developed countries can be assured of repayment of their loans regardless of whether the project succeeds.

As with all AID guaranties, this assurance is backed by the full faith and credit of the United States, in addition to reserves actually accumulated from fees and other sources which exceed $300 million. The fee for this type of guaranty is 1.75%.

Projects covered

As an example of the type of project covered by the program, the facilities pictured on page 21 are part of a pilot agribusiness project in Thailand which includes technical services and loans to farmers; drying, grading and storing corn; and finally, international marketing. This joint U.S.-Thai private venture started operations in 1967 and is presently undergoing expansion. This is an example of a priority developmental project in which the risks of the U.S. private investors are substantially reduced through the use of both extended-risk and specific-risk AID guaranties.

Over 3,000 policies have been written under the specific risk program, in amounts varying from $1,000 to $184 million. The projects assisted are as diverse as steel plants and mink ranches, fertilizer plants and false teeth manufacturing, copper mining and soap manufacturing. Any new project which provides employment, increases production, promotes trade and is, in a general sense, economically beneficial would be acceptable for coverage if other criteria were met.

Twenty guaranties of high developmental priority have been issued under the extended-risk program, in amounts varying from $111,000 for a fish catching and freezing plant in Somalia to $17.8 million for a fertilizer plant in Brazil. The latter is a $70 million project receiving loan and equity financing from the IFC as well as AID loan financing.

Other projects include agricultural land and marketing development in Ghana, the Dominican Republic and Thailand, foreign exchange-earning hotels in Nicaragua, Morocco and the Congo, fertilizer plants in Korea and India, and kraft paper production in Thailand.

The first such guaranty was issued in 1963 for a petrochemical project in Argentina. In the last two years the program has expanded greatly, with eight guaranties issued last year. AID is seeking new ways to encourage private investment in priority fields, such as agribusiness, through this means.

Both programs are flexible and may be tailored to meet the requirements of individual projects. Investors may apply for varying amounts and types of coverage according to their anticipation of risk. Several investors in the same project might desire different types of coverage.

The maximum coverage for a loan investment is the amount of principal plus interest; for an equity investment, the normal maximum is twice the amount of the investment (to provide for retained earnings). Where an extended-risk guaranty covers a portion of a loan or equity investment, the investor may also receive specific risk guaranties on the remainder.

The American financial community is becoming more familiar with the use of AID guaranties in conjunction with other financial techniques to reduce the uncertainties involved in financing private projects in foreign countries. Recent examples of AID's flexibility are the liberalized standard political risk guaranty contracts now available which cover banking operations of U.S. branch banks, and loans made by institutional leaders to enterprises which meet AID criteria in the less-developed countries.

The U.S. investment guaranty program is the oldest and by far the largest such program in the world. The next in importance would be the German program.

The possibility of an international system of investment guaranties has been under discussion for some years and is presently being reviewed by the World Bank. Although most U.S. investors would probably prefer to continue using the AID program even if an international program were established, such a system could benefit countries which had not developed their own programs and could increase the total flow of private investment to less-developed countries.

An international system would also be useful for investments of a multi-national character and might develop a reinsurance facility to be used by national guaranty systems. It is uncertain when such a scheme might become a reality, or what effect it might have on different systems.

Private Investment Center

The newly organized Private Investment Center within AID's Office of Private Resources is responsible for the specific-risk and extended-risk guaranty programs as well as other private investment programs, and application for guaranties should be made to that office.

General information on the programs may be obtained by writing to the Business Information Service, Office of Private Resources, Agency for International Development, Washington, D.C. 20523.

Firms may be able to retain earnings from foreign loans

The Commerce Department's Office of Foreign Direct Investments (OFDI) has published a proposed regulation which would permit U.S. investors to keep the proceeds from foreign borrowings in foreign countries until the funds are used for direct investment.

The Foreign Direct Investment Regulations require companies and other investors to return to the United States any funds held in foreign bank accounts, or other liquid foreign assets which exceed the average monthly balance of such funds maintained in 1965-66. The new regulation, one of several published in the Federal Register on May 21, would exempt funds borrowed in other countries from this provision.

In order to obtain the exemption, however, a company will have to meet certain conditions, including a certification that it will use the funds from foreign borrowings before making transfers of cash and other liquid assets to affiliated foreign nationals.

Director Charles E. Fiero of OFDI said, "There are two major considerations underlying this proposal: the shifting of large amounts of funds borrowed abroad could cause some strain on the Eurodollar market at a time when that market is playing an extremely important role as a source of funds for U.S. companies; also, there are some important tax and other considerations which would place an undue penalty upon U.S. corporations which have borrowed abroad to help ease the strain upon this country's balance of payments.

"While the amendment would exempt foreign borrowings from the repatriation requirement, we expect companies to use their borrowed funds before making capital transfers from the United States."

The proposed regulation also would make it clear that negotiable instruments or commercial paper arising from normal export trade with unaffiliated foreign companies are exempt.

The proposal would not change the effective date of June 30, 1968, for the reduction of funds—other than the proceeds of foreign borrowing—to the authorized level. A period of ten days is allowed for comment on proposed regulations; they become effective when published in final form.

British gas industry likes London show

With the recent discovery of an estimated 30 years' supply of natural gas just off the northeast coast, British industry is looking to countries with experience in this field, and particularly to the United States, to help with the massive task of transportation and conversion.

The most important sales targets for the 20 U.S. firms exhibiting at the U.S. Trade Center in London during a special industrial gas equipment exhibition, Apr. 17-25, were the central Gas Council and the fourteen regional gas boards throughout the country.

Exhibitors' reports showed many useful contacts with representatives of the gas boards, several of which had organized special group trips to see the U.S. equipment on display at the Trade Center.

Of the total of 1,098 trade visitors to the show, 325 came from the various gas boards and the council. Foreign visitors numbered 53 from 18 countries as far away as Nigeria and the Malagasy Republic.

The success of new sales leads picked up at the show was reflected in the prediction of $1.4 million in sales over the next year as a result of the 20 firms' participation in the Trade Center exhibition.

Twelve of the exhibitors had representatives at the show from their home offices in the United States to answer questions from potential buyers. Visitors commented favorably on the high level of officials on hand to man the displays.

"We discovered a whole new market for our gas meters, for use within industry on internal budgeting," said a Dresser Industries' official. "Visitors were of a very high quality."

Robertshaw Controls Co.'s man at the show echoed the feelings of other exhibitors, saying, "The exhibition enabled our company to introduce to the British gas industry products and systems with which they have had very limited experience. Leads have been obtained for products not on show, and also for variations on our systems which could well result in a large sale for the components making up the system."

Since the conversion of Britain's gas system from manufactured to the newly-discovered natural gas is expected to take several years, both exhibitors and visitors recommended a repeat show for sometime in 1970.

OPENING DAY VISITORS are shown gas control valves by two local agents for Robertshaw Controls (above left). United Kingdom agent for Alco Standard (at right in below left photo) shows equipment.

GAS APPLIANCE CONVERSION equipment is shown to buyer by representative of Coppus Engineering (above right). Over 1,000 visitors from British industry and Government boards saw show (below).

COMMERCIAL KITCHEN EQUIPMENT (above) by Wells Kitchen Products was among U.S. products shown at the U.S. Pavilion. Stanley Tools (below) showed home workshop equipment through agent.

U.S. show at Tripoli draws local buyers

Nearly 50 U.S. companies showed their products through 28 local representatives at the month-long Tripoli International Fair in Libya this spring, and posted immediate sales of over $335,000, with additional on-the-spot sales of $39,000 under active negotiation, and another $1.2 million in orders anticipated within the year.

Public attendance at the U.S. Pavilion was estimated at 100,000, and 270 representatives of local Libyan concerns came to the U.S. Commercial Exhibition to do business.

Four of the U.S. exhibitors who did not have representation in Libya prior to the show were actively seeking agents or distributors, and three of these had signed agreements by the end of the exhibition. The fourth was actively engaged in negotiations, and expected to name a local representative shortly.

Polaroid and National Cash Register reported outstanding leads from the fair, and both were in the process of negotiating for the sale of all their equipment on display when the exhibits closed.

AMF's evaporator, shown with an extensive desalination exhibit, created the greatest buyer interest of any display. Requests from the Government of Libya and from leading local businessmen for more information on the evaporator were received, and a number of local agents expressed interest in obtaining representation rights.

LIBYAN AGENT for Westinghouse (below left) showed latest refrigerator and freezer models to the public and to trade buyers. Tripoli Fair officials cluster around National Cash Register display (below right). NCR's active sales staff made $40,000 in immediate sales, expects another $60,000 by next year.

U.S. ASTRONAUT John Glenn (at center in above left photo) was among distinguished visitors to the show. J. V. Murphy (at left in same photo), export manager for Hoffman Industries, explains company display to Col. Glenn and others. Water Pollution Control Federation sponsored a booth to determine organizational activity in the field in Italy. Dr. Ralph Furman of WPCF mans the Federation's booth (at right in above photo).

Over 7,000 see show on pollution at Milan

With an attendance of well over 7,000, including nearly 1,000 registered trade visitors, the exhibition of water pollution control equipment and supplies at the U.S. Trade Center in Milan, Apr. 14-25, was rated a success by all concerned.

None of the 15 firms who took part in the show felt that it had failed to meet its primary marketing goals in exhibiting at the Trade Center. All but two of the companies reported that results had met or exceeded their expectations prior to the show.

Projections of sales over the first year following the exhibition reached $1.7 million, with immediate sales of $20,000.

Four firms came to the show hoping to name permanent agents to represent their product lines in Italy and in other countries. By the end of the show two exhibitors—Industrial Filters and Analytical Instruments—had signed new agents, and two more potential agreements were still being discussed.

Hydrotechnic, Industrial Filters, Bird, BSP, Dorr-Oliver, and Pittsburgh Carbon all reported six-figure sales projections.

The promotional campaign featured visits by U.S. Ambassador to Italy Gardner Ackley and U.S. Astronaut John Glenn, a scientific press conference with the members of the trade mission, and a seminar sponsored by the Federation of Scientific and Technical Associations.

NEW TECHNIQUES IN TREATMENT of waste water are shown to Luigi Morandi, president of the Italian Federation of Scientific and Technical Associations (above left) by a Hydrotechnic Corporation official. U.S. Information Agency display (below) showed conversion of sea water to drinking water.

Italian electronics industry has sales prospects for U.S. firms

Surveys show four-fold market for American-made measuring instruments for all kinds of "fourth generation" applications

Success can lead to a problem, leading in turn to new opportunity.

Outstanding growth in Italy's electronics industry has created demand beyond domestic capability to produce electronic and electrical characteristics measuring equipment. Thus, there is opportunity for U.S. manufacturers to increase their Italian sales of these advanced measuring instruments.

An electronic/electrical characteristics measuring equipment exhibition at the U.S. Trade Center in Milan, Sept. 1-8, will give U.S. producers timely and appropriately situated exposure to Italy's industrial customers.

The exhibition will coincide with the International Electronic Components and Measuring Instruments Show, organized by the Italian National Association of Electrical and Electronic Equipment Industries, at the Milan Fair Grounds adjacent to the Trade Center.

An added "plus" for U.S. exhibitors in the Trade Center event comes with the Milan locale. Main consumer centers in Italy for electronic products are Milan and its highly industrialized suburbs, as well as Turin, its surrounding cities, and Genoa.

A survey of the Italian market for the Commerce Department's Bureau of International Commerce points to a four-fold market—Italy's expanding electronics, data processing, telecommunications and electrotechnical industries—for sophisticated measuring instruments and systems.

Prospects are reported especially bright for the sale of U.S. electronic measuring instruments used to produce professional electronic products and all types of "fourth generation" electronic instruments for manufacturers and users of integrated and microcircuit electronic devices. Demand is increasing for sensitive electronic instruments such as nanovolt instrumentation and special oscilloscopes for computer manufacturers.

Italy is a net importer of advanced electronic measuring equipment. The United States became her leading foreign supplier of this equipment during 1967, displacing West Germany. Imports from the United States included all of the advanced types of manufactured instruments, particularly portable industrial instruments with graphic recorders, oscilloscopes, oscillographs, and laboratory instruments and apparatus.

These are some factors affecting sales prospects of electronic measuring equipment in the strong Italian industrial economy:

► Italian industry purchases of electrical and electronic measuring instruments during 1966, latest year for which statistics are available, reached an estimated $49.6 million—94 percent imported. The United States supplied more than a fourth of the imports.

► Research spending totaled $422 million in 1966.

► The government-owned power and electric company plans to invest close to $5 billion in power and nuclear installations by 1971.

► While Italian production of standard electrical and electronic measuring instruments is well-developed, domestic output of advanced products in this field remains inadequate, and product sophistication will continue to lag five or 10 years behind the U.S. for several more years, according to trade sources.

An intensive market development campaign is under way to assure a quality audience of potential buyers for U.S. exhibitors when the Trade Center show opens. The Center also provides an agency-finding service for companies seeking representation in the Italian market area.

U.S. manufacturers of electronic characteristics measuring equipment have participated in several successful Commerce Department exhibitions overseas. The U.S. exhibition at the Paris MESUCORA fair in April 1967 brought $604,000 in immediate sales of scientific and technical instrumentation and controls to 51 American companies, and estimates of an additional $5.9 million in first-year sales.

U.S. manufacturers interested in the Milan exhibition can obtain further information from the U.S. Department of Commerce (BIC-944), Washington, D.C. 20230 (telephone: area code 202-967-3968) or from any of the 42 Commerce Field Offices.

Eximbank officials to advise U.S. exhibitors at Tel Aviv

Two representatives of the Export-Import Bank will attend the upcoming Tel Aviv International Trade Fair to assist American exhibitors and their local distributors or agents. The fair will run from June 4-22.

The Eximbank representatives will be prepared to explain how the Federal export credit agency can assist in financing American exporters' sales to their Israeli customers.

In Israel there are two basic Eximbank activities to serve this purpose.

Eximbank has established a relending credit with the Industrial Development Bank of Israel, the proceeds of which may be used to finance Israeli purchases of American equipment and services. Through this credit the American supplier is paid in cash, with the Industrial Development Bank providing the financing.

The other Eximbank operation is through its commercial bank guarantee and export credit insurance program, whereby Eximbank assumes most of the risks of extending credit abroad.

Those firms which hope to conclude sales contracts at the Tel Aviv event, and wish financing through credit guarantees or insurance, are urged to make credit arrangements with their banks or insurance agents or brokers before leaving the United States. The Eximbank representatives at the fair will not be authorized to issue Eximbank protection for sales negotiated on the spot.

American exhibitors selling products which normally involve the extension of credit are urged to meet with the two Eximbank officials.

Belgrade fair to exhibit photographic equipment

The organizers of the Belgrade Fair have announced plans for the International Cinematic-Photo Exhibition which will take place on the fairgrounds Nov. 17.

This exhibition, the first of its kind in Yugoslavia, will include cameras of all types, slide and movie projectors, filming accessories, laboratory equipment and supplies, and professional literature. Concurrently there will be a festival of industrial and documentary films, lectures, and experiments in new processes.

American photographic manufacturers have been invited to exhibit any of the above equipment at the fair. The deadline for registration is Aug. 1.

Pickup in Jamaican economy seen likely, as construction and alumina output increase

Slowdown of 1967 largely result of nonrecurring factors; U.S. position as chief trading partner expected to continue

The Jamaican economy, which slowed considerably last year, will probably show renewed energy in coming months, though not at the high levels of 1963-66 when a growth rate of more than 7% at current prices became the norm.

In 1967 the rate dropped to nearer 4%, as a result of a prolonged drought, national elections and death of the Prime Minister, and currency devaluation following the United Kingdom's November action.

This year should see a substantial increase in construction and improvement in alumina output; but advances in tourism and manufacturing may remain for 1969 or later as new facilities are completed, according to the latest Economic Trends Report from the U.S. Embassy in Kingston.

U.S. chief trade partner

The United States is Jamaica's most important trade partner and this position will continue despite devaluation. In 1967 the United States provided 39% of total Jamaican imports followed by the United Kingdom (20%), Canada (11%) and the European Common Market countries (8%). The percentage for the United States compares favorably with the 1966 figure of 36%.

Some 40% of total Jamaican exports went to the United States, up from 38% in 1966. The United Kingdom took in 26% of Jamaican exports, and Canada 14%.

The combination of devaluation, labor strife and the general slowdown in business has occasioned concern on the part of U.S. businessmen operating in Jamaica. While many attractive aspects of the economy and the country in general remain unchanged, the new elements merit consideration.

The November devaluation of the Jamaican pound from $2.80 to $2.40 is bound to cut into U.S. exports. Exactly how much remains to be seen. However, with United Kingdom prices under cost-push pressure and with the value of the Canadian dollar still intact, the two major trading rivals of the United States in Jamaica have not gained as much of an advantage as might have been expected.

The widespread price controls which accompanied devaluation are certain to hurt some U.S. firms manufacturing in Jamaica for the local market. These measures are gradually being eased or repealed, but they will probably cause a temporary profit squeeze for some companies as the cost of imported raw materials rises.

Jamaican labor is usually represented by one of the two major industrial labor unions. Rivalry between the two is keen—especially in the bauxite-alumina industry. The outcome has been labor stoppages and occasional violence.

Skilled labor is in short supply, and a stringently enforced work permit law makes importation of such labor difficult. The overall labor picture remains the greatest uncertainty for the prospective investor in Jamaica.

The unusually high level of economic growth has reverted to at best a negligible gain (in constant terms), and business is feeling the effect. But the decline is the result of nonrecurrent factors—the election, the drought, the rather bewildering effects of devaluation—and recovery is expected.

Jamaica's economic picture has many bright aspects. That U.S. investment continues to come in is concrete evidence. Politically the country remains stable and democratic. In peaceful fashion an election was held and, when the newly elected Prime Minister died, another new Prime Minister succeeded to office.

The Government is eager to attract new investment. Generous tax concessions are available for a wide range of projects. In 1967 nineteen new plants began operation under incentive legislation and more than 150 are benefiting from the provisions.

The Jamaica Industrial Development Corporation, 4 Winchester Road, Kingston 10, provides considerable help to foreign investors.

General freedom of capital movement continues, and it is unlikely that any balance of payments problems will arise to necessitate changes.

The effects of entry of Jamaica into a Caribbean Free Trade Association are still uncertain. Some local manufacturers favor the move, others oppose it, and until the proposals are more carefully spelled out, it is impossible to ascertain the implications for the United States.

Total Jamaican trade in 1967 continued to represent about 61% of gross domestic product as in 1966. Imports rose by some $26.6 million or 8% to $353 million while exports remained almost constant at $229 million, resulting in a trade deficit of almost $125 million for the year.

Major exports are bauxite and alumina, 38% of total exports; sugar, 20%; fruits and vegetables, 12%; and manufactured goods, 11%.

The pattern of imports remains largely unchanged. Manufactured goods still command the largest portion of Jamaica's

Continuing need for imports seen in Jamaica

Jamaica's need for all kinds of imports should continue at a high level though with some possible dampening effects from devaluation and from increasing licensing requirements designed to protect local industries and to minimize the influx of products deemed nonessential by the Government.

U.S. exports to Jamaica will probably continue to rise in absolute terms. The expected increase in foreign investment and in tourist revenue will provide the foreign exchange needed to finance Jamaica's voracious appetite for imports.

At the same time, while the agriculture picture remains less optimistic, new alumina production will enhance foreign earnings by the bauxite-alumina industry and at least partially compensate for fluctuations or declines in agricultural exports.

foreign expenditures, accounting for 26% of total imports in 1967. Other major imports the past year were machinery and transport equipment, 25% of total imports; food products, 19%; fuels and lubricants, 8%; and chemicals, 8%.

The $26.6 million increase in imports in 1967 was rather evenly distributed, though certain changes are worth noting, among them the rise in imports of cereal and dairy products, metal manufactures, electrical and nonelectrical machinery and transport equipment. The $9.3 million increase in machinery and transport equipment was substantially below the $15.7 million increase in such imports during the previous year.

Jamaica runs a trade deficit with practically every trading partner. Only with Norway, to whom it sells large amounts of alumina, does it show a substantial surplus. In the case of the United States the deficit has increased almost 15 times in the past 5 years so that in 1967 the United States sold Jamaica almost $46 million more than she purchased from the island.

The same drought which severely checked the output of many agricultural commodities in 1967 continues to plague the island and portends at best another mediocre year for the sector. The volume of output in 1967 declined slightly in both domestic and export agriculture after having shown a healthy gain during 1966. While accounting for only 11.4% of gross domestic product, agriculture is still an important earner of foreign exchange and, more significantly, is the largest employer in a country where an unemployment figure of roughly 16% has become accepted.

Sugar output for the latest crop year was the lowest since 1962, and estimates based on the first 3 months of 1968 call for only a 3% increase in the level of production for the 1968 crop year. Banana exports rose slightly in 1967, but the drought took its toll in the final quarter and 1968 output may be expected to suffer accordingly.

The bauxite-alumina industry's output in 1967 remained about 8.5% of gross domestic product. Production of bauxite rose only 1.9% while alumina output increased a modest 3.3%. Exports of both materials earned Jamaica nearly $111 million in 1967, an increase of 4.5% over 1966.

Construction of the $175 million Alpart alumina facilities, owned jointly by Kaiser, Reynolds and Anaconda, is well under way with production scheduled to commence in mid to late 1969. Initial capacity will be nearly one million short tons annually. Revere Brass and Copper is now ready to begin construction of a large alumina plant while Alcan, the only company currently producing alumina, is increasing production from 815,000 long tons in 1967 to a million in 1968 and 1.1 million in 1969. Alcoa is considering construction of a large alumina plant.

Assuming the availability of sufficient reserves of high grade bauxite, alumina production could reach 3 million tons by 1975 compared with current output of under a million. In the shorter run, as well, the production outlook is for a sizable gain over the increase in 1967.

Closely related to the bauxite industry is a projected $32.2 million caustic soda plant, construction of which should commence shortly. Foreign exchange savings from this are estimated at $8.4 million annually.

Investment encouraged

Efforts continue to be expended in attracting new industry to the island. Increasingly lucrative tax incentive legislation has been signed into law in an attempt to implement a policy of across-the-board import substitution. As a result, a number of new factories recently have sprung up, nurtured by the promise of 10 years and more of tax free earnings, and protected by stringent import quotas.

New U.S. owned factories already in operation or under construction include a flour mill (Pillsbury), a bagasse board plant (Esso), a tire factory (Goodyear), the Alpart alumina complex, a shirt and pajama plant, a manufacturer of water treating chemicals, and a cigar wrapper plant. About to commence construction are the caustic soda plant, and the Revere alumina installation.

Though the total manufacturing sector showed a slight 2.4% gain in 1967, some areas did substantially better. Among these were textiles, furniture, paper products, chemicals, and metal products.

Close to half of total manufactured output is food related, sugar being the most important product. Other key manufactures are metal products, textiles and made up textile goods, cement, and leather products. Exports of manufactured goods recently showed a slight decline.

Tourism continues to thrive, held back only by lack of an adequate number of rooms, a deficiency which at last seems about to be rectified. Nonmilitary long and short stay visitors in 1967 increased by 2.9% to 303,000. Through February 1968 long and short stay visitors were up more than 16% and total visitors up 19% over the same period in 1967. Tourist expenditures for 1967 were estimated to have risen 2.5% to $80.3 million.

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of the profitable opportunities presented by a seemingly insatiable demand for beaches and in-bond shopping. There are now definite plans for construction by early 1970 of over 2,300 additional rooms involving an investment of nearly $50 million. Other proposals under consideration dwarf even these figures. And the understandably bullish outlook for tourism applies equally to related industries such as entertainment, food supply, and transportation.

Given the high Jamaican propensity to import and the resulting trade deficits, the Government is particularly receptive to investment in tourism and has provided a number of appealing tax concessions to attract capital to this vital sector. Tourist dollars will continue to finance, on an ever increasing scale, Jamaica's much needed development and consumption requirements.

Commercial banking activity was sluggish during the first 9 months of 1967, picked up considerably in the final quarter and then eased some. By the end of the first quarter of 1968 there was considerable excess liquidity due partly to increased savings and partly to a lower demand for funds. The situation is expected to be temporary, however, as numerous projects now in the final planning stages begin construction. Following November's currency devaluation, the prime rate was boosted from 7% to 8% and has remained at this level.

A new bank, owned 51% by Jamaicans and 49% by the Citizens and Southern National Bank of Georgia, opened in March 1968—the first Jamaican controlled commercial bank.

Plans to decimalize the currency have been completed, and in September 1969 Jamaica will convert to a dollar worth U.S. $1.20 at today's rate.

Construction outlook brightens in Jamaica

Jamaican construction expenditure leveled off last year, but strongly renewed activity is expected in 1968, as a variety of new projects gets under way.

Among these are many new manufacturing facilities, an ambitious waterfront renewal project for Kingston, a large residential, industrial and commercial project at Montego Bay, extensive new tourist facilities, a waterfront development in Ocho Rios, and the 15,000 acre Hellshire Hills resort development ten miles from Kingston.

Tunisians hope improved crop outlook will revive economy; U.S. market share grows steadily

U.S. expected to remain number two supplier, behind France; tourist industry is top trade, investment prospect under Plan

Tunisia's second straight year of drought has crippled its farm output, and brought overall economic growth to a standstill. However, a brighter crop outlook for 1968 should improve prospects for a resumption of growth, according to the latest Economic Trends Report submitted by the U.S. Embassy in Tunis.

As a consequence, substantial imports of cereals and vegetable oil purchased under the P.L. 480 program or commercially have been necessary, which has placed further pressure on scarce reserves and aggravated the trade and payments imbalance. The effect continues to be felt this year, with farm cooperatives heavily in debt and struggling to obtain financing to buy fertilizers, seeds, and equipment needed for the current agricultural season.

Because of the need for heavy imports of foodstuffs, the trade position has worsened, and foreign reserves, now negative, have continued to fall.

Investment, on the other hand, has remained at a high level thanks to increased availabilities of foreign resources and a rise in private investment in the tourist and petroleum fields.

The United States has for years been Tunisia's number two supplier, with its share rising last year from 16.4% to 25.4%. France will remain Tunisia's principal supplier, but the U.S. will be a close second, at least during 1968.

Admittedly, this strong position will be due to the aid the U.S. provides Tunisia. The Food for Peace program will probably exceed $25 million, project loans will provide about $10 million, and an additional $15 million will be financed under the non-project loans (commodity import program). U.S. commercial exports will remain at about $10 million.

The commodity loan has served to introduce a number of competitive items (tinplate, kraft paper, glassware, pesticides, and hotel equipment) which have permanent market possibilities. However, available free foreign exchange for commercial purchases in the U.S. this year will be used largely for foodstuffs and raw materials needed to meet usual marketing requirements under the PL-480 program and for commodities that cannot be furnished by AID (sulphur, used clothing, rice, and beans).

Tunisian exports to the U.S. will probably decrease since cotton duck is now subject to restraints and the future U.S. market for Tunisian superphosphate is uncertain.

This means that opportunities to diversify exports to Tunisia this year will be substantially limited to those products which can be financed under AID or World Bank loans (in particular the agricultural equipment loan for the northern cooperatives).

Trade with EEC

Although France's relative position as Tunisia's most important trading partner has declined since 1964, Tunisia's ties with France and other Common Market countries remain of great importance. Despite the disappointing results so far, the Tunisians will make every effort this year to pursue their negotiations with EEC to gain an associate status. In the meantime, Tunisia will continue to give selected tariff preferences to certain manufactured French goods in return for preferential treatment given to Tunisian exports of olive oil, phosphates, and preserved foodstuffs.

The market for U.S. products will remain relatively unaffected, however, since exchange controls will continue above everything else to determine the level of commercial purchases from Free World sources.

Given the next Four-Year Plan's emphasis on exports and the government's efforts to steer private investment into small industries and tourism, foreign investors interested in hotel projects or export-oriented industries can be expected to receive encouragement.

A new Investment Code will soon be submitted to the National Assembly which will unify existing laws and regula-

tions related to investment incentives and provide further advantages, including guarantees for capital transfers. This should benefit U.S. companies currently considering investments in hotels, the extraction of mineral salts, and the exploitation of potash deposits.

The availability of Cooley loans, which have been used by several U.S. companies, an Investment Guarantee Agreement, and a relatively cheap supply of labor are also favorable factors. While these will have to be weighed against existing import, exchange, and price controls, the government seems committed to their gradual liberalization with the strengthening of the economy.

Non-farm growth

Growth in the non-agricultural sectors has continued. Although phosphate rock production was affected by strong U.S. competition and the extraction of iron ore declined, the contribution of the mining sector increased 25% thanks to crude oil production from the El Borma field.

The manufacturing industry, with the exception of food processing, rose another 8%. This was largely due to a higher output of the phosphatic fertilizer industry, the Menzel Bourguiba steel mill (50,000 tons of rolled steel products), the cotton textile industry (22 million meters), the Bizerte refinery (860,000 tons), and the operation of new medium-sized industries such as the Firestone tire plant at Menzel Bourguiba and the STIA truck and utility vehicle assembly plant at Sousse.

With a new sanitary ware plant at Bizerte and the sustained level of activity in the building (mainly hotels) and public works sectors, the construction industry has continued to grow. So has the tourist industry, although 1967 tourist receipts did not reach earlier estimates because of the effect of the Near East war in June.

Unfortunately, these gains were offset by the drop in agricultural production, which normally accounts for about one-fourth of Tunisia's GNP. This has prevented any real growth in the GNP during the past two years, and per capita income has fallen 5% during this period.

The strong impulse given by the government to merge different forms of economic activity into larger units will continue. The creation of agricultural production cooperatives, which are member-owned and merge traditional small holdings with a former colon property into a large unit, is proceeding rapidly.

New measures to merge most of the existing commercial sector into different forms of member-owned cooperatives will probably be completed this year. Marketing cooperatives are being established for each *delegation* (equivalent to a county) to handle foodstuffs, and private commercial units or consumer cooperatives will be required to become its members.

Fresh fruit and vegetable dealers will have to join service cooperatives. Firms specializing in such items as textiles or hardware will be required to have a large paid-in capital if they are to continue in operation. These steps will virtually eliminate the small individual retailer.

Consolidation popular

Moves for consolidation will also continue in other sectors. Various public or semi-public enterprises now exercise a monopoly position over the importation of many items (pharmaceuticals, cereals, vegetable oil, printed materials, used clothing, coffee, tea, sugar).

Importers of other items are being organized into different *groupements* which do bulk purchasing of such commodities as timber, fertilizer, pesticides, glassware, paper, construction materials, yarn, steel products, and hardware. Import groupings for other commodities are anticipated.

Tunisia's trade balance should show a modest improvement in 1968. Unlike 1967, when imports reached record levels because of large purchases of cereals and vegetable oils, this situation will change if there is a good agricultural season. Investment curbs will not allow capital imports to grow very much (currently $56 million a year).

Imports of consumer goods will remain steady ($40 million since 1966) because of continued strict import licensing controls and the availability of a wider number of domestically manufactured products (textiles, processed foods, tires, hardware items, appliances).

INVESTMENT INCENTIVES, such as a new investment code and guarantee agreement, are being planned to encourage expansion of industry. Foreign capital is welcomed. Below, a plastics factory at Sousse.

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On the other hand, imports of raw materials and semi-finished goods will continue to grow (currently $100 million a year) to meet the needs of Tunisia's small but expanding industrial sector.

Exports should continue to grow by about $15 million. Crude oil will provide most of the increase. Production from El Borma should rise to three million tons and 200,000 tons more will come from the Douleb field (near Kasserine) now being hooked up by a small pipeline to the La Skhirra terminal. In spite of the cost squeeze caused by high prices of imported sulphur, the production and export of triple superphosphates should continue to grow. Market prospects for phosphate rock seem to be improving.

Higher olive oil exports should be possible later this year. Libya is becoming an important market for construction materials, vegetables and meat.

Wine, which once accounted for nearly 20% of exports, is being relegated to a minor position, never having recovered from the loss of its preferential market in France.

Strong tourist growth

The tourist industry still shows strong signs of growth even though 1967 was below expectations. The hostilities in the Near East kept tourists away last June and July but tourism has since recovered rapidly. The number of tourists visiting Tunisia was slightly above the 1966 level (218,000), but the number of tourist nights grew 24%, and gross earnings rose from $26 million to over $30 million.

With the trade balance likely to improve and earnings from tourism substantially higher in 1968, the goods and services deficit in the balance of payments should fall to about $115 million. Even though new supplier credits will be reduced under the stabilization program, various forms of external aid will more than offset this reduction and cover the payments gap. Increased foreign investment is also anticipated in the fields of tourism, the development of potash deposits, and petroleum.

Despite these favorable developments, Tunisia's foreign exchange position is not expected to improve because of amortization payments on the external debt. In view of this situation, severe import licensing and exchange controls will continue, with priority going to foodstuffs, raw materials, and equipment goods.

The stabilization program, begun in September 1964 with the help of the IMF (when the dinar was devalued), and resource allocations under the government's Annual Economic Budget, have addressed themselves to Tunisia's investment-financing problems. Ceilings on government drawings from the banks have stopped deficit financing, there have been restraints on government fixed investments, and interest rates have increased.

New measures have been taken to curb investment and new supplier credits. Commercial banks have been required to hold credit expansion to 6% a year and hold investment loans equal to repayments on similar loans. Their reserve requirements have been raised from 30 to 85% for any increase in demand and time deposits (if less than one year) exceeding 2.5% a month.

While gross investment declined 5% in 1967 and was held to available resources, there has been no margin of safety to deal with the unexpected crop failures, the momentum of past commitments for investment expenditures, and the rapid rise in external debt financing. Consequently, credit remains extremely tight, unliquidated obligations are still growing, and net reserves continue to fall.

The outlook for this year, therefore, is for more fiscal controls, even though there may be some liberalization in various credit ceilings. Tunisia has obtained another $9.6 million standby credit from the IMF (its fourth) for this year. Authorizations for new supplier credits are being kept well below repayments to improve the debt structure, and all taxes and duties have been raised another 5% since January to assure non-inflationary financing and an increase in domestic savings. Price controls on essential commodities will be maintained to keep the cost of living down, and no wage increase is in sight.

To achieve the development plan's growth objectives, export industries, particularly in the chemical-phosphate field, will have a high priority. Existing industrial enterprises will be further consolidated, with attention given to their management to assure greater profitability and an increase in savings. Details on specific projects have yet to be announced, but the major one will probably be the creation of a chemical fertilizer complex at Gabes to manufacture di-ammonium phosphate. Wage, price, and fiscal controls will be maintained to avoid inflation, but a gradual liberalization of import licensing restrictions is foreseen.

While the devaluation of the British pound and Spanish peseta will have some effect this year, most of the foreign tourists come from the Common Market and Scandinavian countries. Their number is growing as other beaches along the Mediterranean become crowded. Assuming the Near East stays quiet, tourism should become Tunisia's major foreign exchange earner in 1968 (replacing phosphates).

Several American companies are already interested in hotel projects and have applied for Cooley loans.

Aid sources diversified

Tunisia's prospects for continuing to receive substantial foreign assistance remain good and sources of aid are becoming more diversified. This is important since the development program depends largely on external resources.

The United States has and will continue to be the major aid donor.

While various forms of U.S. assistance are projected to remain at about $57 million this year, non-U.S. aid should rise and nearly equal this figure. Capital resource financing from European banks will also be important.

Bulk purchasing gains

With moves to consolidate economic activities into larger units, public or semi-public agencies which have a monopoly over certain imports or import group associations *(groupements)* will become increasingly important customers. Bulk purchasing by means of international tender will become more prevalent and price rather than quality will govern procurement decisions.

Change in emphasis

With the opportunity of the World Bank Consultative Group to review Tunisia's Annual Economic Budget each year, the Tunisians have been encouraged to deemphasize investments for social infrastructure (schools, hospitals) and import substitution industries and give higher priority to agriculture and industries which will have a comparative advantage.

The outline of the next Four-Year Plan, which will begin in 1969, proposes to do just that. Public and private investments during this period are projected at $1.07 billion, with 20% for agriculture, 15% for mineral extractive industries (mainly phosphates and petroleum), 11% for tourist projects, and 8% for chemical industries. It projects an annual growth rate of 6.5%.

Portugal's slump persists

Trade with U.S. fell off last year; prospects for higher U.S. sales unpromising

The Portuguese economy remains in a slump that began in mid-1966, and there are few signs that it will get any better this year, according to the latest Economic Trends Report submitted by the U.S. Embassy in Lisbon.

Barring a general upsurge in international economic activity and domestic monetary and fiscal expansion, Portugal's economy is in for another sluggish year.

The prospects for increasing U.S. sales to Portugal during 1968 are unpromising. Since weather conditions thus far favor another good year for agriculture, the demand for imported wheat and corn may fall-off further, while the lack of industrial expansion does not indicate a significant recovery in demand for industrial machinery, equipment, and raw materials.

Some improvement in demand may come about during the latter half of the year, however, if the hoped for recovery in economic activity in fact materializes.

For the longer run, Portugal should offer an expanding market for American products as the Third Development Plan gains momentum, since the United States is a major supplier of equipment and raw materials which Portugal will need to carry out its industrialization program. In addition, despite programs for agricultural improvement, Portugal is likely to be an importer of cereals for some years to come.

U.S. share declines

Portuguese-American trade fell off last year, with exports to the United States declining 1% while imports from the United States decreased by 12.8% (the latter compared with an increase of 9% in 1966). As a result, the U.S. share of the Portuguese import market declined from about 8% to 7%.

Of the major items which the United States sells to Portugal, 1967 saw increases only for inedible tallow, gas oil and diesel oil, antibiotic medicinals (although medicinals in general were down), natural rubber, raw hides and skins, and aluminum bars and shapes. Only the increase in sales of hides and skins was of significant proportions.

The greatest decline in U.S. sales were for wheat and corn (because of better harvests in Portugal last year), coal, lubricating oils, synthetic yarns and fibers, and raw cotton (because of the slump in Portugal's textile industry), and in the entire range of industrial equipment, machinery, and raw materials, including tinplate, galvanized sheets, steelplate and sheets, steel wires, cables, and tubes.

The slight decline in Portugal's exports to the United States last year was disappointing to local businessmen in view of the rather large increase in total exports. The only large increases were for tomato concentrates (which more than tripled), electrical machinery (which increased sevenfold), wines (up 34%), and cork manufactures (up 10%). The greatest declines in exports to the United States were registered for jute textiles, sisal products, Madeira embroideries, dyed and grey cotton textiles, raw cork, sausage casings, and marble.

The pattern of foreign trade also reflects the slump in domestic demand. The value of imports, which increased by 10.7% during 1966 and 18.7% in 1965, actually decreased by a little less than 1% last year. This was due largely to reduced investment, which caused imports of capital equipment and raw materials to fall off sharply.

The greatest import declines were in machinery, raw cotton and synthetic fibers (due to the slack in Portugal's important textile industry), iron, copper, semi-manufactures of iron and copper, coal and coke, tractors, truck and bus chassis, corn, and wheat.

The greatest increases in imports were in meat (which more than doubled), codfish, oilseeds (peanut), sugar, crude petroleum, raw wool, iron and steel manufactured products, automobiles, pharmaceuticals and refrigerators.

Export performance, on the other hand, improved considerably during the second half of 1967, due mostly to increased sales to Portugal's Overseas Provinces and to the EFTA countries, especially Sweden and the United Kingdom. The overall rate of increase for the year was 10.5% compared with 7.5% for 1966 and 11.7% for 1965. Exports to the United Kingdom alone increased by 17.6% and represented approximately 20% of the total, while exports to Sweden increased by 67.4%. Sales to the Overseas Provinces (which now take about 25% of total exports) increased by 18%.

Export growth was greatest for tomato concentrates, table wines, cotton yarns and cloth, clothing and linens, and machinery. On the other hand, export declines were registered for rosin, wood pulp, cork and cork products, sisal (yarn, cordage and twine), box shooks and port wine.

The direction of trade continues to be toward Western Europe and increasingly toward the EFTA countries. Both import and export trade with the United States and with the Common Market declined last year, causing some concern among both businessmen and government officials, particularly since Portuguese suppliers may experience some difficulty in regaining markets lost to foreign competitors for some commodities.

Industrial production, which fell off more or less steadily after April 1966, showed even poorer performance throughout 1967 despite a brief upturn in June and slight improvement again in October and November. According to production indices maintained by the Portuguese Industrial Association, the average monthly index for industrial production decreased during 1967 by 1.4% compared with an increase of 4.8% during 1966, and production in the manufacturing sector actually decreased by nearly 3%.

U.S. outlook poor

The short-term trade outlook for the United States in Portugal is not promising. Imports for 1967 from the U.S. declined from 1966 record levels; and the lack of industrial expansion, the weaknesses in the cotton textile industry, and prospects for another good year for agriculture, all suggest there will be weak demand for industrial equipment and raw materials, raw cotton and synthetic fibers, wheat, and corn—all of which figure large in American sales to Portugal. Foreign investment prospects may be complicated by United States balance of payments measures, but will depend primarily on the resumption of growth in the Portuguese economy.

The recession was most notable in the mechanical and electrical equipment industries (down 17.5%) which were particularly affected by the lack of new investment. Increased production was registered only in mining, tomato concentrates (which increased by over 50%), wood products and furniture, and in the production of cement, chemical fertilizers, electricity, petroleum products and a small increase in automobile production.

Production of pig-iron increased by 20.5% during the first eleven months of 1967 compared with the same period of the year before, but 1966 production was unusually low due to the closing of blast furnaces for 57 days for cleaning and relining, as is done roughly every five years. Production in most other industries rose and fell during 1967 without any clear indication that a recovery was materializing.

While no data are available for industrial production thus far in 1968, many businessmen claim that they are running down inventories, have few advance orders, and are operating at much less than capacity.

Agriculture and construction seem to be contributing most toward sustaining economic growth at present. Weather conditions throughout most of 1967 favored good crops although low rainfall in December prevented full development of some pastureland. The wheat and potato crops were particularly good —up 81.4 and 35.5%, respectively compared with 1966.

Livestock production (slaughtered animals) decreased sharply during 1967 (by roughly 19%) resulting in a more than doubling of meat imports. Most of the increased imports were of beef, the demand for which is rising steadily to supply tourist needs and because of a gradual shift in preference of the Portuguese consumer.

Construction growth high

The other high performer in the Portuguese economy, and the one sector which seems to be maintaining the highest rate of growth, is construction. The number of new buildings completed during the first nine months of 1967 reached 24,517, an increase of 15.4% over the same period of 1966.

As a reflection of the sluggishness in the industrial sector, however, the number of buildings erected in manufacturing industries decreased by ony 4%. There is every reason to believe that the construction boom will continue, since urbanization is a phenomenon of modern Portugal, service industries are growing, the demand for housing far exceeds the supply.

SYMBOL OF PORTUGUESE DEVELOPMENT is bridge spanning Tagus River. It links the capital Lisbon, on north side, with expanding coastal recreation areas in the south. Bridge cost $78 million, $55 million of which was covered by Eximbank loan to purchase U.S. goods and services.

Tourism has become one of Portugal's largest industries, and its largest single item of foreign exchange earnings. It now provides employment, directly and indirectly, for a large portion of the work force and has been an important stimulus to the growth of the service and construction industries.

For this reason, last year's data on earnings from foreign travelers is disquieting. While preliminary figures show foreign travelers entering the country during 1967 reached nearly 2.2 million, an increase of 25.4% over the previous year, their expenditures in Portugal declined slightly.

Whether the fall-off in earnings from foreign travelers will have a dampening effect on construction and industries geared specifically to tourism remains to be seen.

There is some concern among businessmen that exports to the United Kingdom, which increased so dramatically last year, may fall off somewhat because of devaluation of the pound, and even greater concern over the effects British and American balance of payments measures may have on tourism and on new foreign investment in Metropolitan Portugal.

Direct foreign investment in Portugal, which had doubled from 1964 to 1966 and had come to represent roughly 20% of total private investments, declined from $25.5 million in 1966 to $21.4 million in 1967.

There is also some suspicion among businessmen that the balance of payments surplus for the escudo area, which increased by 55% during 1967 to a record 6,067 million escudos ($211 million) was achieved at the expense of reduced domestic investment and production.

Indeed, the contraction in the merchandise trade deficit in 1967 to $356.1 million was due mostly to the slack demand for investment equipment.

Faced with sluggish domestic demand, surplus stocks, underutilized capacity, and uncertain investment prospects, business activity in general has continued at a very low level. As an indicator of this slump, the value of commercial instruments settled through clearing houses during 1967 increased by only 7.5% compared with 11.5% during 1966 and 21.1% in 1965.

Reflecting the same conditions, the increase in the value of commercial bills discounted was less than one-half of one percent for 1967, compared with an increase of 12.7% in 1966. In addition, following the trend that was already evident in mid-1967, the value of unpaid (protested) drafts increased by 68.9% during 1967 compared with 34.2% during 1966.

Businessmen report that sales are off and collections slow thus far this year, while bankers report that for the first time in several years there is excess liquidity in the banking system, with strong demand only for consumer installment credits.

Portuguese businessmen seem to be in a period of watchful waiting, with a low propensity to invest in new industrial capacity.

The authorizations for new industrial units actually granted during 1967 totaled only 79, compared with 574 the

year before, and these authorizations were not even for large undertakings which by their very size might have compensated for the decline in numbers.

According to preliminary figures, nominal capital of the companies established during 1967 amounted to the equivalent of $58.5 million compared with the equivalent of $67.7 million in 1966.

There are, nevertheless, some favorable factors, internally as well as externally, which cause businessmen to be hopeful that a recovery will materialize later this year. They note that there has been a continuation of the recovery in economic activity in the United States, West Germany, Italy and Japan, and Holland.

Domestically, they note that the Portuguese Government's policy is oriented toward helping a recovery of investment and industrial production. According to the Portuguese budget for 1968, extraordinary public investment is to increase by $28 million this year.

Exemptions granted

In addition, recent measures granting tax exemptions on imports of raw materials and equipment goods, as well as a modest start in the operation of a system of credit for exports and for the mechanization of agriculture, are directed toward fostering investment and production.

The fact that the ratio between the volume of credit outstanding and of deposits is one of the lowest ever recorded offers ample room for an expansion in banking credit, provided this expansion is aided by a more expansionist rediscount policy on the part of the Central Bank and the development of a better capital market for medium and long term credit.

However, the Portuguese economy is operating considerably below full capacity at present and current business prospects are not such as to encourage large scale private investment. Most businessmen believe that significant recovery is likely to come only in the latter half of the year, and then only if the government leads the way with considerable public investment and with expansionary monetary and fiscal measures. Even so, economic growth during 1968 is unlikely to come anywhere near the 7% annual increase in Gross Domestic Product (at constant 1963 market prices) called for in the Third Development Plan (1968-73).

Official figures were recently revised upward to show that the average monthly index of consumer prices in Lisbon rose 5.5% during 1967 compared with 5.1% in 1966 and only 3.4% in 1965 and 1964, in spite of the good agricultural year which resulted in only moderate price increases for food.

In addition, the wholesale price index for Lisbon continued to rise during 1967 at nearly the same rate as the previous year, a factor that has been partly responsible for the continuing increase in consumer prices this year.

Even these figures are sufficient to show that inflation is a fact of life in Portugal, but it is generally conceded that official statistics understate true conditions because of poor coverage in computing the index.

While inflation is not seriously disrupting the allocation of resources, it is a matter of concern because it is occurring while the economy is operating at far less than full capacity and while the government is pursuing a deflationary monetary and fiscal policy.

The rate of increase in wages, on the other hand, seems to have tapered off in recent months. The change in the labor market picture is primarily the result of a reduction in the level of emigration, a major factor contributing to the sharp increase in wages during 1966.

Portugal welcomes and offers equitable treatment to foreign investors, and the Portuguese Government is counting on foreign direct investment to figure in the financing of its Third Development Plan, for which private investment (both domestic and foreign) is expected to provide roughly 70% of the total for Metropolitan Portugal.

Although the United States balance of payments program restricts direct investment from the United States, American firms will be able to finance new investments and expansion from sources in the European market and from a portion of retained earnings. Investment decisions, therefore, will probably be influenced more by growth prospects in the Portuguese economy than by the United States balance of payments program.

Portugal is cooperating with the leading reserve currency countries to stabilize the world monetary situation. The Portuguese Government did not follow suit when the British pound was devalued last November, and at that time issued public statements regarding the need for international cooperation to reestablish order in the world monetary system. Portugal has not followed the run on gold, but has continued to hold a large proportion of its reserves in foreign currencies, particularly dollars.

In addition, Portugal favors moderate methods to cope with international monetary problems, and supports the creation of Special Drawing Rights in the IMF as a measure in this direction.

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U.S. Department of Commerce
Washington, D.C. 20230

Checks should be made payable to the Superintendent of Documents.

Growing French auto parts market should benefit U.S.

The French market for automobile equipment is rapidly expanding. Total French imports of automobile parts and accessories (excluding engines and chassis with engines) rose from $66.4 million in 1965 to $96.6 million in 1967. French imports of these items from the United States increased from $10.1 million to $17 million over the same period.

Further increases in imports from the United States will be enhanced by the July 1 reduction of French external customs duties on automobile parts and accessories from 18.4% to rates of 11.2% or 13.2%, depending on the item. The final Kennedy Round duty reductions will bring these rates down to 7% and 12%.

The present 3.75% duty on imports from EEC countries, the main source of foreign competition, will be eliminated on July 1. Nevertheless, U.S. producers can gain a competitive edge as a result of the Kennedy Round, assuming their prices remain stable.

An American exporter who previously has sold only to automobile manufacturers does not necessarily require a local representative to capitalize on these opportunities, advises the U.S. Embassy in Paris. However, an American exporter who wishes to take full advantage of the improved sales outlook should have someone on the scene. Only a local representative, who may be contacted with the assistance of the U.S. Department of Commerce, can develop a network of wholesalers throughout the country capable of reaching service stations, department stores, and mail order organizations.

DOING IT RIGHT, is this representative of a U.S. firm (right) which demonstrated at a special U.S. exhibit in Caracas. Personal contact, plus non-English sales literature, is a potent asset to overseas sales.

Venezuelan buyers list chief complaints about U.S. suppliers

Survey by U.S. Embassy in Caracas reveals that high prices, terms of payment, English-language material are top problems

A survey just conducted by the U.S. Embassy in Caracas has revealed many of the shortcomings Venezuelan businessmen find in their U.S. counterparts. The results should be instructive for all U.S. exporters.

The chief complaints concerned prices, terms of payment, and the exclusive use of English in correspondence and manuals. Other leading complaints included failure to meet promised delivery dates, by-passing local representatives, and low commissions and profits.

The Commercial Branch of the Embassy sent questionnaires to 358 firms known to handle U.S. products. The forms were completed by 128 firms.

Among the comments offered by the respondents were these (followed by their product lines):

"European manufacturers generally have manuals and literature already printed in Spanish. To get this type of literature from American manufacturers is often like pulling teeth." (automotive garage equipment);

"There is a general indifference to and ignorance of local situations as regards customs, documentation and other matters, which often leads to arbitrary modification of customers' instructions without prior consultation, in a 'take it or leave it' attitude which frequently leads to fines for incorrect documentation and storage charges," (auto parts);

"There are companies which give good credit terms, but usually large firms generalize (about customers' credit worthiness) too much and are rigid. Each case should be handled on its own merits." (fats, oils, animal feeds);

"At times established Venezuelan firms have lost important business because U.S. companies have supplied directly without recognizing the local representative." (chemicals for sugar industry);

"We generally make our importations by air freight, finding many times that due to light 'domestic' type packing the goods arrive damaged." (filing cabinets and security storage equipment); and

"There are difficulties in maintenance and repairs because of high costs of parts and lack of repair instructions." (scientific equipment).

The Venezuelan market is a highly attractive one because of its ready availability of dollars and its absence of exchange controls. The U.S. share of this market has been declining in recent years, however, under the impact of foreign competition, protected industrialization, and changing patterns of demand.

U.S. exports to Venezuela in 1967 were $583.3 million. The ten leading commodity groups (Schedule B groupings, followed by their percent of the total) were: vehicles and parts (11.3%), wheat, unmilled (6.9%), pumps and centrifuges (3.2%), construction and mining equipment (2.6%), mechanical handling equipment (2.2%), heating and cooling machinery and equipment (2.1%), organic chemicals (2.1%), internal combustion engines, excluding those for aircraft (2%), electrical equipment and appliances (1.8%), and tractors, except road and industrial (1.6%).

The U.S. is Venezuela's largest source of supply, with a market share of 51.2%, based on 1966 Venezuelan figures.

Frequency of complaints

Here is a detailed breakdown of the percentages of respondents citing particular trade complaints about doing business with U.S. exporters:

Literature only in English	69
Higher prices than other countries	61
Correspondence only in English	47
Better terms of payment elsewhere	44
Promised delivery dates not met	29
Direct sales by firm in representative's territory	24
Commissions and profits lower than competition's	20
Careless documentation, handling	18
Freight rates not competitive	16
Claimed errors not accepted by exporter	12
No complaints	**12**
Slow in answering correspondence	11
Specifications not followed	10
Lack of personal attention	6
Product not suitable for Venezuela	6
Obsolete design	4
Parts, service hard to obtain	3
Poor quality	2

New Finnish law gives state power to curb inflation

Prices frozen at Mar. 15 level; customs duties may be cut, dropped

Finland's Parliament on Apr. 9 enacted legislation which grants special temporary powers to the government to stabilize prices and incomes. The government, as a result of this and related laws, can now take the following actions.

Prices on all goods, services, and rents are controlled. Effective Apr. 6, all prices were stabilized at the Mar. 15 level. Price increases above that level will be closely controlled by a newly formed Price and Wage Council.

Wages and agricultural income are controlled by the new Council. Wage increases generally will not exceed increases in productivity.

Cost-of-living index linkages are abolished, with the major exception of index-tied pensions. Index linkages in Finland are arrangements by which wages, agricultural incomes, and certain types of savings accounts, government bonds, and pensions increase in value when the cost-of-living index rises. Increases in the index (beyond specified points) automatically bring about a compensating increase in the items listed above. The index linkages were designed to safeguard income from the effects of inflation.

Customs duties may be reduced or eliminated under the new Act if the government deems such action necessary to fulfil the objectives of price and cost stability.

The new law reflects general agreement in Finland that strong measures are required to contain inflationary pressures. Rising prices and incomes have been a major cause for the deterioration of Finland's balance of trade in recent years.

Continued upward price trends are already beginning to erode the competitive advantages given Finnish exports by the devaluation of the Finnmark.

Finnish economists are confident that the new law will provide an opportunity to achieve greater long-term balance and growth in the economy. The special powers granted by the law expire at the end of 1969.

Passage of the new law was preceded by a significant agreement between twelve of the principal organizations in Finland representing employers, trade unionists, and agricultural producers. This agreement (called the Liinamaa Agreement) was signed on Mar. 27. The twelve groups (later joined by eleven more) agreed to accept strong controls on incomes and prices. They also assented to abolition of the index linkages, widely recognized to be a strong contributing factor to rising costs and prices. The Liinamaa Agreement, by expressing a broad concensus throughout almost all sectors of the economy, established the groundwork for the new law.

A translation of the law (called the "Law to Safeguard Economic Development in 1968-69") is available in The European Division, OIRE, Bureau of International Commerce, Department of Commerce, Washington, D.C., 20230.

Spain loosens bank account regulations

The Spanish Government's Institute of Foreign Exchange (IEME) has announced an important revision of its regulations governing the opening and operation of Spanish bank accounts in convertible foreign currencies.

The principle features of the new regulations, which became effective Jan. 1, 1968, are as follows: banks presently or henceforth authorized by IEME may open sight and time accounts in convertible foreign currencies.

These accounts may be opened by nonresident Spaniards, and nonresident foreigners as well as by foreign corporations and banks.

Nonresident foreigners were previously authorized to hold only convertible peseta accounts (the convertibility of which but not the parity of which was guaranteed), while nonresident Spaniards were permitted only standard peseta accounts in Spanish banks.

The Spanish banks may determine the amount of interest to be paid on such accounts. Accounts may be freely transferred into the currency in which they were opened, or into other convertible currencies quoted in the Spanish market, or into pesetas.

The banks are also free to use the funds obtained through the opening of such accounts for foreign credit and investment operations on behalf of foreign and domestic clients, including the financing of exports for up to six months.

While both the regulations and the IEME officials are perhaps deliberately ambiguous on this point, foreign nationals residing in Spain, who were previously eligible to hold foreign currency accounts in Spanish banks, are apparent losers under the new regulations.

Foreign residents who held such accounts prior to Jan. 1, 1968, are permitted to retain them, but on the basis of available information, it appears that no new accounts of this type can be opened by foreign residents in Spain. IEME officials have confirmed that there is considerable uncertainty in the term "resident," but for the present it appears that persons such as locally established foreign businessmen cannot open new foreign exchange accounts in Spanish banks.

The new regulations should contribute significantly to the Spanish Government's effort in developing a capital market. An IEME official has informed the American Embassy that further liberalization of foreign currency transactions may be expected in the near future if the revised regulations function as expected.

Denmark is first nation to confirm IDA pledge

Denmark has become the first nation to complete the parliamentary procedures to make its national contribution to the $1.2 billion replenishment fund for the International Development Association (IDA). A total of 18 IDA member nations and Switzerland have agreed to contribute to the fund.

Denmark will make a total of $13.2 million available to the IDA over a three-year period beginning Nov. 8. This includes an ordinary contribution of $12.12 million and a supplementary contribution of $1.08 million.

IDA credits are extended for 50-year periods and are interest-free, although there is a small service charge. The credits are helping to finance transportation, agriculture, industry, electric power, communications, water supply and education projects in 38 developing countries.

U.S. licensees can get rights to make new products offered by foreign firms

Items include desalination equipment, steam engines, pumps, special adhesives, rotary refuse system, turntables, other products

Manufacturers in West Germany and Great Britain are seeking U.S. licensees to produce and distribute their products for the U.S. market.

Products offered are water treatment and desalination equipment, steam engines, heat exchangers, mining machinery, pumps, special adhesives, electric motors and generators, turntables, and a rotary refuse system.

For additional details and the name and address of the firm, **write** the Office of International Investment, code 874, Bureau of International Commerce, Washington, D.C. 20230, referring to the appropriate File number assigned each opportunity listed below.

Investment Assistance

The licensing and joint-venture proposals listed in this section are published as an informational service for U.S. firms interested in overseas affiliations. Companies responding to these opportunities should be cognizant of the present mandatory investment regulations published in the Federal Register for Jan. 3, as amended.

To receive follow up assistance and general information about investment abroad telephone: 202-967-3786 or write: Office of International Investment, Department of Commerce (BIC-878), Washington, D.C. 20230. A (*) following the name of the foreign firm indicates that additional information is available from the above address.

WTD indicates that a World Trade Directory Report containing financial and business background information on the foreign firm is available for $2 from the Department of Commerce (BIC-924), Washington, D.C. 20230 or the nearest Department of Commerce Field Office.

• A West German company is seeking a U.S. licensee to produce its steam engines, heat exchangers, mining machinery, and pumps. This company is also interested in cross-licensing agreements and exchange of know-how. **File 1598.**

• A West German firm is seeking a U.S. licensee to produce its water treatment equipment and desalting plants.

The product line of the company includes water sterilization, filtering, dechlorinization, and demineralizing equipment; water softeners; de-gasifiers, deacidifiers, and desalters; swimming pool water conditioners; industrial water treatment systems; and phosphate water treatment equipment.

The company reports that it has sold its equipment with notable success and that there is especially great demand for its demineralization plants by the chemical, pharmaceutical, mirror manufacturing, air conditioning, and electroplating industries.

The special design is protected by patents in many countries including the U.S. **File 1599.**

• A West German manufacturer is offering to U.S. licensees its know-how for special adhesives used especially in the automobile, plastics, shoe manufacturing, and construction industries. **File 1600.**

• A West German firm is seeking a U.S. licensee to manufacture the following products in the U.S.:

1) Three-phase motors—output range 0.25 to 2,000 hp, for high and low voltage; 2) D.C. Motors—output range 0.5 to 800 hp for all applications with or without speed control; 3) D.C. generators—output range 0.4 to 600 kw (several types including special for varied speed ranges); 4) Three-phase generators—output range 1 to 1500 kva for high and low voltage and special types for flanging to diesel engines; and 5) motor-generator sets—Leonard sets, regulating sets, flywheel sets, frequency converters, charging converters. **File 1601.**

• A British manufacturer of turntable equipment is offering for production in the U.S. under a licensee agreement a rotary refuse system.

This system consists of a rotating device to which three to twelve barrels are attached. The lead barrel is positioned under a chute, and upon being filled, the device is activated to move the next barrel into position for filling. A spring loaded locking pin assures the proper positioning of each barrel.

The system has been found to be especially useful in apartment buildings which have trash chutes but no incinerators. **File 1602.**

• A British manufacturer is seeking a U.S. licensee to manufacture and sell in the U.S. its vehicular turntables.

These turntables with precision made non-slip decking are designed, for among other uses, the turning of trucks in confined areas for loading. The units measure from 12 to 35 ft. in diameter, and are manually or electrically operated. Installation is understood to be uncomplicated, and the depth of the pit minimum. **File 1603.**

German machinery producer looks for license agreement

A manufacturer and distributor of highway and road marking machinery seeks a license to produce additional equipment in this field. The firm would also consider a cross licensing agreement with an appropriate U.S. concern.

An executive of the German company plans to visit the United States in September to discuss licensing arrangements with U.S. companies responding to this announcement.

Write: Jakob Zindel GmbH, 31/1 Sichelstrasse, 7 Stuttgart-Bad Cannstatt, Germany. WTD.

Pakistani wants partner for food canning plant

A Pakistan firm seeks a partner in a fruit and fish canning venture.

The Pakistan firm will contribute land and capital, and asks the U.S. partner to contribute machinery and technology.

Firms wishing additional information should **write:** Anisur Rahman, Aneesur Rahman Ltd., 11 Bandel Road, P.O. Box 531, Chittagong, East Pakistan.

Several offers made by Dutch producers

Business arrangements with U.S. firms are sought by three Dutch concerns to manufacture a wide range of heating equipment: high pressure boilers; elevators, parts and equipment. U.S. firms may obtain more information about these opportunities by writing to the addresses below.

• A prominent Dutch producer of space heaters, air and oil control valves and metal working products is interested in licenses to manufacture a wide range of products for distribution throughout Europe, Africa and Asia. The firm has a specific interest in the manufacturing of a broad line of gas fired and electrical heating equipment and oil burning controls.

Established in 1945, the Dutch firm has 850 employees and reports annual sales approximating $7 million.

Write: Inalfa, N.V., Metaalwarenfabriek, 83 Maasheseweg, Venray, The Netherlands. WTD.

• A subsidiary of a large prominent Dutch producer of steel office furniture, safes, locks and passenger elevator cars and doors seeks a license to manufacture small capacity passenger elevators, elevator parts, equipment and machinery. These products will be distributed through the firm's established channels to all of Western Europe and the Common Market Countries.

The parent company established in 1870 has over 2,000 employees. Annual sales are reported to be in excess of $15 million.

Write: Almevi N.V., 1b Batavierenstraat, Rotterdam, The Netherlands. WTD.

• A well managed, financially strong company specializing in metalworking services and manufacturing is seeking a license from U.S. firms for the manufacture of containers, high pressure boilers, gantry rail and dock cranes or related equipment and machinery.

The company would distribute such items in the Benelux area and West Germany.

The firm has first class facilities suitable for the manufacture of any of the specified items. It currently has 130 employees with an annual turnover of $833,000.

Write: N.V. S.I.F., 4 Industrieterrein, Helden-Panningen, The Netherlands.★ WTD.

U.S. licenses wanted by two German firms for chemicals, material handling equipment

Two German firms request licenses; one wants to make additional industrial chemicals and related products and one seeks to make materials handling equipment.

• A manufacturer of chemicals for the textile, leather and synthetic fiber industries seeks licensing agreements with U.S. firms to make additional industrial chemicals and related products.

The German firm has around 200 employees and reports annual sales of approximately $2.8 million.

For further details **write:** The American Consulate, 5 Koenigstrasse, Munich, Germany.

• A manufacturer of such materials handling equipment as lifting jacks and hoists is interested in a licensing or sales agency agreement with a U.S. producer of materials handling equipment and other newly developed machinery.

The German concern markets its products in the EEC and EFTA countries. The firm has approximately 200 employees and reports annual sales of $3 million.

For further details **write:** The American Consulate, 5 Koenigstrasse, Munich, Germany.

Three French producers seek licensing arrangements

Three French manufacturers are looking for licensing arrangements with U.S. firms to produce control equipment, visual control panels, and American biscuits and crackers.

• The French subsidiary of a large British manufacturer seeks a licensing agreement with a U.S. firm to produce control equipment, valves, and hydraulic controls.

Write: Whessoe, Rue de Bitche, 62-Calais, France. WTD.

• A producer of office filing equipment seeks a license to manufacture visual control panels.

Established in 1946, the Paris firm has 50 employees and reports annual sales approximating $500,000.

Write: Arianex, 63 Rue de Rome, 75-Paris 8, France. WTD.

• An important manufacturer of candies and other confectioneries wishes to add American biscuits and crackers to its sales line under an exclusive sales agency agreement or a licensing arrangement with a U.S. firm.

Interested U.S. firms can obtain complete information about the opportunity by writing: BECCO Fabrique de Confiserie Matter & Cie, 182-184 Route des Romains, 67 Strasbourg-Koenigshoffen, France. WTD.

Three British firms seek licenses to manufacture goods

The following British firms are looking for U.S. licenses to produce products related to their respective lines.

• An importer and distributor of toys and dolls seeks a licensing agreement with a U.S. firm. The London company is interested in importing molds and doll parts for final manufacture and assembly in the U.K.

A representative of the British firm is prepared to visit the U.S. to discuss arrangements with U.S. firms responding to this announcement.

Write: Julius Cowan (Toy Distributors) Ltd., Kemp House, 152/160 City Road, London, E.C. 1, England. WTD.

• A fabricator of steel, aluminum and stainless steel products seeks a license to manufacture equipment for the aircraft and missile industries.

These products could include aircraft ground handling equipment, engine transportation and servicing apparatus, stationary and vehicular launching equipment.

Write: Cardale Engineering Company Ltd., Selbourne Road, Luton, Bedfordshire, England. WTD.

• A manufacturer and exporter of steel structures, general platework and fabrication, and a sales agent and distributor for concrete block making machines and associated equipment, is seeking a license to manufacture engineering equipment requiring casting, machining, fabrication and general assembly.

The British firm's facilities include services in design, site maintenance, plasma-arc cutting using a photo-scanner, erection, pressing, rolling, machining, steel building structures, pressure and general container vessels, distillation columns, bunkers, chutes and general platework.

Write: Ernest Rhodes and Son Ltd., Troughbrook Works, Chesterfield Road, Staveley, Derbyshire, England. WTD.

World Trade Opportunities

Honduras calls for bids on hydroelectric project

Bidders required to submit qualifications and financial status

The National Light and Power Company (Empresa Nacional de Energia Electrica ENEE) has requested bids for the design and supply of equipment for the Rio Lindo Hydroelectric Project.

The following schedules of equipment are requested: Two 18/24 MVA, 138-13.2 Kv, 3-phase power transformers and one 15/20 MVA, 132-67 Kv, 3-phase autotransformer; seven 600 amp., 138 Kv and one 1200 amp., 69 Kv, 3-pole, oil circuit breakers; eighteen 120 Kv, station-type lightning arresters; and eighteen 138 Kv coupling capacitor potential devices.

Bids will be considered on individual schedules or any combination of schedules. Copies of contract documents 406-5, transformers, circuit breakers, lightning arresters, and coupling capacitor potential devices may be obtained by bona fide prospective bidders without charge from the Harza Engineering Co., 400 W. Madison St., Chicago, Illinois 60606.

Bids should be submitted to the Empresa Nacional de Energia Electrica (ENEE), Apartado Postal No. 99, Tegucigalpa, D.C., Honduras, Attn. Ernesto Crespo Mejia, no later than June 17.

Each bidder will be required to furnish with his bid sufficient information to establish his qualifications and financial ability to carry out the contract.

Yugoslavia invites bidders for railway construction

Project calls for improvement of the Beograd-Bar railway line

The Railway Transport Enterprise, Nemanjina No. 6, Belgrade, Yugoslavia has announced plans for improvement of the Beograd-Bar railway line.

Prospective bidders are asked to submit their qualifications to construct the two projects listed below to the above address.

1) The *Stojici-T. Uzice section of the Beograd-Bar Railway Line*—Construction is to begin not later than Sept. 15 and is to be completed by July 1, 1971. Prequalification applications must be submitted not later than June 10.

2) The *Stapari-Prijepolje section of the Beograd-Bar Railway Line*—Construction is to begin not later than Oct. 1 and is to be completed by Dec. 31, 1971.

Prequalification applications must be submitted not later than June 14.

Copies of prequalification instructions may be obtained from the Building Materials and Construction Industries Division, BDSA-564, U.S. Department of Commerce, Room 4014, Washington, D.C. 20230. Telephone: 202-967-3602.

Uruguay extends deadline for cheese processing plant

The Cooperativa Nacional de Productores de Leche (CONAPROLE), Departamento de Compras Generales, Calle Nueva York 1630, Montevideo, has extended the bid deadline for Tender No. 140 for: two cheese plants; one to produce 50,000 lts/day of table cheese and one to produce 50,000 lts/day of Italian type (hard) cheese from July 26, 1967 to October 31, 1968. (INTERNATIONAL COMMERCE, June 5, 1967, p. 47).

Specifications, in Spanish, are available to firms domiciled in the U.S. from the GIEC Division, BDSA-588, Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-5585.

Colombia issues tenders for educational supplies

Cost of buildings and equipment is estimated at $32 million

The Government of Colombia is offering a tender for the supply of school furniture, machines and equipment for offices, furniture and equipment for science and language laboratories, industrial education shops, home economics, commercial education, mechanical drawing, cosmetology, textbooks, audio-visual aids, reference books and other teaching materials for secondary schools.

The Colombia Ministerio de Educacion Nacional (National Ministry of Education) Bogota, plans to construct nineteen comprehensive-type secondary schools within the next two years. The total cost of buildings and equipment is estimated at $32 million. Equipment for these schools will be selected by international bidding. The bid deadline has not been determined.

Copies of specifications and registration forms are available to firms located in the U.S. from the Scientific, Photographic & Business Equipment Division, BDSA-666, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-2939.

Algeria needs feasibility study for construction of port silos

The Ministry of Agriculture and Agrarian Reform, Construction and Rural Engineering and Hydraulics, 12 Boulevard Amirouchi, Algiers, invites consultants to submit bids for a feasibility study in order to determine best method for the construction of a 25,000 ton port silo in Algiers and a 20,000 ton silo at Khroubo, Constantine.

Specifications and other pertinent information may be obtained from the above address.

Bids must reach the Ministry (via registered mail) before June 22.

Tenders for construction and equipment will be issued at a later date.

Mexico requests bids on road construction

The Secretaria de Obras Publicas, Mexico invites companies in countries which are members of the International Bank for Reconstruction and Development to register with the Secretariat their interest in bidding on the proposed construction of 695 kilometers (about 435 miles) of roads at an estimated cost of $19.5 million.

Interested firms must register before June 8.

To register and for information on how the bidding is to be conducted contact the C. Secretario de Obras Publicas, Boulevard Xola y Ave. Universidad, Mexico 12, D.F., Republica Mexicana.

One copy of the description of the proposed road construction is available (in Spanish) for office review in the Building Materials and Construction Industries Division, BDSA-564, Room 4014, U.S. Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-3602.

Equipment bids sought on hydroelectric needs

The Corporacion Dominicana de Electricidad (CDE), P.O. Box 1428, Santo Domingo, Dominican Republic (Cable Address: Anacaona, Santo Domingo and Telex: 326195 Anacaona), invites bids for: Lot No. 3—Hydro-mechanical steel structures and crane; Lot No. 4—Electrical and mechanical equipment; Lot No. 5—Ventilating and air conditioning equipment.

Bids on the electro-mechanical equipment will be accepted separately for turbines, generators, and transformers. The bid deadline is Aug. 15.

Appropriate documents and bidding forms for Lots 3, 4 and 5 will be available to interested firms on May 15 at a cost of $150.00 for each separate lot, from the above address.

Brief, additional information is available from the General Industrial Equipment and Components Division, BDSA-588, Department of Commerce, Washington, D.C. 20230. Telephone: 202-967-5585.

Choice of language

Some people—about seven-eighths of them—just do not understand English.

So when you answer an advertiser in these pages who requests replies in his own language oblige him and yourself.

Ask the Department of Commerce Field Office for advice.

World Trade Opportunities Continued to page 47

The firms and individuals in the following lists are interested in trade relations with U.S. businessmen. The commodities in which they have expressed interest are indicated by the numbers preceding the commodity classification. These numbers refer to the Standard Industrial Classification (SIC) Manual, which is available for $4.50 a copy from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Every effort is made to include only firms or individuals with good reputations. However, the Department of Commerce cannot be responsible for any trade relations.

The listing in INTERNATIONAL COMMERCE of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the U.S. Department of Commerce pursuant to the U.S. Export Control Act. For applicable export licensing regulations and policies, see the Comprehensive Export Schedule or consult the Bureau of International Commerce's Office of Export Control or any Department of Commerce Field Office.

- indicates that the trade opportunity represents a request for bids by a foreign government agency. A (★) following indicates that additional information may be borrowed by firms located in the U.S. from the Business and Defense Services Administration (BDSA), U.S. Department of Commerce, Washington, D.C. 20230; telephone numbers indicated. To avoid delay, requests for loan material should specify country and commodity.

★★ indicates opportunities obtained by U.S. trade missions to other countries. A (★) following these indicates that additional information may be obtained by writing the Trade Opportunities Staff, BDSA-624, U.S. Department of Commerce, Washington, D.C. 20230. The TM (trade mission) number is requested in correspondence. Requests for loan material should specify country and TM number.

WTD indicates that a World Trade Directory report is available on the foreign firm for which the trade opportunity is listed. These reports, indicating type of organization, sales territory, size of business, sales volume, trade and financial reputaton, and other factors, are available for $2 each from the Bureau of International Commerce, BIC-924, U.S. Department of Commerce, Rm. 6059. Telephone: 202-967-4203. The date following the letters WTD refers to the date of issuance of the report. If WTD is in preparation, action will be completed on a priority basis upon receipt of request specifically identifying the trade opportunity involved.

Sales Leads for Exporters

Listed below are companies interested in buying U.S. products. Direct purchases are wanted unless a desire for an agency agreement is expressed.

162 Heavy construction

★★ **PARAGUAY**—Irrigation project: steel underground pipe with risers and aluminum portable pipe; include engineering, supervising project. Eberhard Lewkowitz (importer, exporter), Alberdi 342, Asuncion. WTD in preparation. TMD-9.

201 Meat products

GERMANY—Canned poultry. Requests price quotations f.o.b. American ports or c.i.f. Rotterdam or Hamburg. Requests replies in German. Koch & Mann Sued GmbH. (importer, wholesaler), Postfach 987, 5 Koeln a. Rh. 1. WTD 4/68.

203 Canning, preserving foods

AFGHANISTAN—Salad oil, tuna fish, shortening. Aziz Supermarket (importer, exporter), Zarghoona Maidan, Kabul. WTD 6/67.

GERMANY—Canned fruits, fruit juices, and vegetables; dried, dehydrated fruits, vegetables. Requests price quotations f.o.b. American ports or c.i.f. Rotterdam or Hamburg. Requests replies in German. Koch & Mann Sued GmbH. (importer, wholesaler), Postfach 987, 5 Koeln a. Rh. 1. WTD 4/68.

220 Textile mill products

GERMANY—Upholstery and decoration textiles of all kinds in antique, modern, original designs. Requests price quotations f.o.b. New York. Josef Anstoetz GmbH. (importer, exporter, wholesaler), Postfach 529, 48 Bielefeld. WTD 4/68.

228 Yarn, thread mills, products

NETHERLANDS—Polypropylene fibers, first-choice, unbranded standard quality. Agency and direct purchase for EEC countries. Additional information upon request. A. van Grinsven & Zonen N.V. (manufacturer, agent, wholesaler, importer, exporter), Ringbaan Oost 102, Tilburg. WTD 4/68.

229 Textile goods

PORTUGAL—Fishing nets made in nylon, polyester, other manmade filaments. Direct purchase and agency. Filtros Filfro, Lda. (importer, manufacturer), Av. Infante Santo 343 r/c Esq., Lisbon 3. WTD in preparation.

Waste, synthetic fibers. Joaquim Soares & Ca. (importer, reclaimer), 38 Rua da Feira, Areosa, Oporto. WTD in preparation.

232 Men's, youths', boys' furnishings, work clothes

ITALY—Work shirts, pants. Direct purchase and agency. G. & L. Caruso Torrisi (manufacturer, agent, wholesaler, exporter, importer), 3 Via Simeto, 95129 Catania. WTD 4/68.

251 Household furniture

NETHERLANDS—Garden furniture, all kinds. Direct purchase and agency. W. H. den Ouden N.V. (importer, distributor, exporter), 15 Goudsesingel, Rotterdam-1. WTD 4/68.

262 Paper mills, products

● **IRAN**—350 tons kraft paper in sheets. Substance to be 50-60 grs/m². Sheet size on 200 tons to be 35 x 50 cms. Sheet size on remaining 150 tons to be 40 x 42 cms. Paper to be packed in 500 sheet reams.

Tender No. 7555. Bid deadline July 22.

Copies of tender form and samples of paper available from Forest Products Division, BDSA, Room 4003, U.S. Department of Commerce, Washington, D.C. 20230. (Telephone: 202-967-3530).

263 Paperboard mills, products

● **IRAN**—3,500 bobbins white tape for sticking cigarette filters and 1,250 bobbins of white paperboard.

Specifications of tape are as follows: Width 38 mm; length per bobbin, 600 meters; substance 34 grs/m² ± 2 grams and resistance minimum to be 2KGS per centimeter. Tapes must be capable of accepting artificial glue of type Poly & Penyl used for gluing filter.

Specifications of paperboard are: Width 96 mm; substance 275-300 grs/M²; bobbin core diameter 120 mm and outside diameter 600 mm.

Tender number 7565. Bid deadline July 20.

Copies of tender form and sample of paper and board available from Forest Products Division, BDSA, Room 4003. U.S. Department of Commerce, Washington, D.C. 20230. (Telephone: 202-967-3530).

264 Converted paper, paperboard products

AFGHANISTAN—Sanitary paper products, towels, tissues. Aziz Supermarket (importer,

exporter), Zarghoona Maidan, Kabul. WTD 6/67.

281 Industrial chemicals

GERMANY—Boron compounds, boric acids, borax, boric trioxide. Requests price quotations c.i.f. Rotterdam or Hamburg. Reimbold & Strick (manufacturer, importer, exporter, sales agent, wholesaler), 4 Kunftstrasse, Postfach 120, 5 Koeln-Kalk. WTD 4/68.

● **INDIA**—Ammonium sulfate, bulk, U.S. origin, 160,000 metric tons. Shipments scheduled for July and August.

Tender No. FP4(5)/PII-5(37)/68, bid deadline 1 pm June 7. Bids to the Director General of Supplies and Disposals, National Insurance Bldg., New Delhi. Tender documents, available on request from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. (Telephone: 202-265-5200).

● Urea (bagged), U.S. origin, 150,000 metric tons. Shipments scheduled for July and August.

Tender No. FP4(6)/PII-5(35)/68, bid deadline 1 pm June 7.

Bids to the Director General of Supplies and Disposals, National Insurance Bldg., New Delhi. Tender documents available on request from the India Supply Mission, 2536 Massachusetts Ave., NW., Washington, D.C. (Telephone: 202-265-5200).

IRAN—Lab reagent chemicals. Soofer Co. (importer), 328 Naderi Ave., Tehran. WTD 4/68.

SWEDEN—Chemicals for paint & lacquer, plastic, rubber, packaging industries. Direct purchase and agency. Ingeniorsfirman Claes Ramsgard (agents), Romelehus, S-240 14 Veberod. WTD 5/68.

282 Synthetic materials

NETHERLANDS—Nylon, polyester, acrylic fibers. First-choice, unbranded standard quality. Agency and direct purchase for EEC countries. Additional information upon request. A. van Grinsven & Zonen N.V. (manufacturer, agent, wholesaler, importer, exporter), Ringbaan Oost 102, Tilburg. WTD 4/68.

SWEDEN—Polyethylene for manufacture of pipe. Plast & Rorverken AB (manufacturer), Smalandsgatan 6, 441 00 Alingsas. WTD 4/68.

283 Drugs

IRAN—Anti-acne medicinal preparations. Iran Shokouh Co., Ltd. (importer), 48 Shah Ave., Tehran. WTD 4/68.

● **MALAYSIA**—The Permanent Secretary, Ministry of Health, Kuala Lumpur, invites bids for the supply of 20 medicinal chemicals, including acetylsalicylic acid powder, 2,240 lbs.; ascorbic acid, 450 kgs.; benzyl benzoate, 5,600 lbs.; calamine, 5,600 lbs.; dextrose monohydrate, 22,400 lbs.; isoniazid, 1,500 kgs.; light magnesium carbonate, 2,500 kgs.; magnesium trisilicate, 2,500 kgs.; piperazine citrate, 2,000 kgs.; and sodium salicylate, 1,000 kgs. Bid deadline July 1.

Copies of the tender are available from the Chemicals and Allied Products Division, BDSA, U.S. Department of Commerce, Washington, D.C. 20230.★ (Telephone: 202-967-2239).

NETHERLANDS—Hydroxylamine sulphate, 98%. Pharmaceutische Groothandel J. H. Rooster & Zoon (importer, distributor, agent, retailer), 6-8 Infirmeriestraat, or P.O. Box 4049, Rotterdam 16. WTD 5/68.

SWITZERLAND—Pharmaceutical preparations, medicinal chemicals, botanical products. Direct purchase and agency. Alpinapharm AG (manufacturer, distributor), Gesteigstrasse 52, 8049 Zurich. WTD 5/68.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

FRANCE—Nail polish lacquers; eyeshadow. Laboratoires Fournier (manufacturer), 9 Rue Petitot, B. P. 44, 21 Dijon (Cote d'Or). WTD 4/68.

IRAN—Skin lighteners in form of lotion, cream or soap. Iran Shokouh Co., Ltd. (importer), 48 Shah Ave., Tehran. WTD 4/68.

SWITZERLAND—Perfumes, hair dressings, dyes, bleaches, tonics; household aerosols, spot removers, teflon coatings, deodorants. Direct purchase and agency. Alpinapharm AG (manufacturer, distributor), Gesteigstr. 52, 8049 Zurich. WTD 5/68.

289 Chemical products

FRANCE—Synthetic resin adhesives, cements for use by automobile, building industries. Direct purchase and agency. Promaco, S.A. (manufacturer, distributor), 200 Rue d'Illzach, 68 Mulhouse. WTD 4/68.

291 Petroleum refining

● **KOREA**—Lubricating oils, greases, various quantities as per invitation for bids.

Bid Nos. KFX-8049-N-1 and KFX-8049-N-2. Bid deadline 10:00 hours, June 1, Korean Standard Time. Office of Supply Government of The Republic of Korea, Seoul.★ (Telephone: 202-967-2355).

301 Tires, tubes

NETHERLANDS—All kinds of pneumatic tires, tires and inner tubes for passenger cars, motorcycles, trucks, busses, agricultural implements, aircraft; tire sundries. Direct purchase and exclusive representation for Netherlands and/or other Common Market countries requested. Autobanden Import J. Tolk N.V. (importer, distributor, exporter), 62-68 Daniel Stalpertstraat, Amsterdam. WTD 5/68.

307 Miscellaneous plastics products

SWEDEN—Plastics in form of sheets and rods with steel-strength to be used in shipbuilding, aeroplane industries. Direct purchase and agency. Colly Co. AB (manufacturer, retailer, agent, distributor, importer, engineering), 2 Bodalsvagen, 181 36 Lidingo. WTD 5/68.

SWITZERLAND—Plastics dinnerware, tableware, kitchenware, decorations, gadgets, novelties. Direct purchase and agency. Orbis International (importer, exporter, wholesaler), Russenweg 12, 8008 Zurich. WTD 7/67.

319 Leather goods

ITALY—Leather safety belts. Direct purchase and agency. G. & L. Caruso Torrisi (manufacturer, agent, importer, exporter, wholesaler), 3 Via Simeto, 95129 Catania. WTD 4/68.

321 Flat glass

AFGHANISTAN—Window glass. Haji Mohammad Hashem, son of Haji Mohammad Ashur (iron merchant, importer, exporter), Jade Maiwand No. 2, Kabul. WTD 5/68.

326 Pottery, related products

AFGHANISTAN—All kinds of bathroom accessories. Haji Mohammad Hashem, son of Haji Mohammad Ashur (iron merchant, importer, exporter), Jade Maiwand No. 2, Kabul. WTD 5/68.

SWITZERLAND—China kitchen- and tableware, vitreous; commercial, household. Direct purchase and agency. Orbis International (importer, exporter, wholesaler), Russenweg 12, 8008 Zurich. WTD 7/67.

329 Abrasive, asbestos, nonmetallic mineral products

ETHIOPIA—Acoustic insulation, fiberglass or similar. Price c.i.f. Djibouti or Ethiopian port. Requests replies in French. Tesfaye Kejela (builder), P.O. Box 224, Addis Ababa. WTD in preparation.

331 Steel mill products

AFGHANISTAN—Galvanized steel sheets, galvanized pipes. Haji Mohammad Hashem, son of Haji Mohammad Ashur (iron merchant, importer, exporter), Jade Maiwand No. 2, Kabul. WTD 5/68.

● **CEYLON**—Galvanized steel sheets, 19,200, to B.S. 2989, 8' by 48". Tender for the "Supply of Galvanized Steel Sheets"; bid deadline Aug. 6.

Chairman, Tender Board, Department of Government Stores, P.O. Box 418, Colombo.★ (Telephone: 202-967-2364).

● **IRAN**—Steel pipe, five tons, type ST-60, 25 by 45 m/m.

Tender No. 164/47, bid deadline July 14. Iranian State Railways, Tehran.★ (Telephone: 202-967-2364).

● **MOROCCO**—Electrolytic tinplate, 23,000 metric tons and hot dipped tinplate, 5,000, under .50mm thick.

Tender for the Supply of Tinplate; bid deadline June 30. Ministere du Commerce, de L'Artisanat, de L'Industrie et des Mines, Direction de L'Industrie, Rabat. Bids limited to manufacturers.★ (Telephone: 202-967-2364).

332 Iron, steel foundries

AFGHANISTAN—Cast iron pipes, fittings. Haji Mohammad Hashem, son of Haji Mohammad Ashur (iron merchant, importer, exporter), Jade Maiwand No. 2, Kabul. WTD 5/68.

342 Cutlery, hand tools, general hardware

AFGHANISTAN—Builders' hardware of all kinds. Haji Mohammad Hashem, son of Haji Mohammad Ashur (iron merchant, importer, exporter), Jade Maiwand No. 2, Kabul. WTD 5/68.

AUSTRIA—Novelty hardware for furniture manufacturers, particularly upholsterers; other novelties for sale through hardware stores. Price quotations preferably on basis of c.i.f. Austrian border. Erwin Allram, Wirtschaftswerbung-Handelsagentur (advertising, commission agency), A-3860 Heidenreichstein. WTD 5/68.

SWEDEN—Hand tools, automobile, industry; saw blades, metalworking for hand, power saws. Agency and direct purchase. NEJ:s Handel & Industri AB (wholesaler, retailer), S-570 16 Kvillsfors. WTD 5/68.

SWITZERLAND—Table cutlery, knives, forks and spoons, kitchen cutlery, scissors and shears. Direct purchase and agency. Orbis International (importer, exporter, wholesaler), Russenweg 12, 8008 Zurich. WTD 7/67.

344 Fabricated structural metal products

★★ **PARAGUAY**—Silo, grain. Empresa Manuel Ferretira S.A. (importer, exporter), Benjamin Constant Y 14 De Mayo, Asuncion. WTD 1/68. TMD-7.

346 Metal stampings

PORTUGAL—Perforated sheets of stainless steel, copper, other metals. Direct purchase and agency. Filtros Filfro, Lda. (importer, manufacturer), Ave. Infante Santo 343 r/c Esq., Lisbon 3. WTD in preparation.

SWEDEN—Fasteners of plastic or metal material to be used in mechanical, aeroplane industries. Direct purchase and agency. Colly Co. AB (manufacturer, retailer, agent, distributor, importer, engineering), 2 Bodalsvagen, 181 36 Lidingo. WTD 5/68.

349 Fabricated metal products

NETHERLANDS—Aerosol valves, heating valves, valves for piping systems and for power transfer, other industrial valves. Direct purchase and exclusive representation for Netherlands and/or other Common Market countries requested. Autobanden Import J. Tolk N.V. (importer, distributor, exporter), 62-68 Daniel Stalpertstraat, Amsterdam. WTD 5/68.

SWITZERLAND—Metal novelties, specialities. Direct purchase and agency. Orbis International (importer, exporter, wholesaler), Russenweg 12, 8008 Zurich. WTD 7/67.

351 Engines, turbines

IVORY COAST—Requests documentation, quotations c.i.f. Abidjan on all parts, accessories necessary to convert automobile engine to marine use. Information should be provided on American, foreign engines, if available. Replies in French required. M. Cabaud, Societe d'Organisation et de Service, S.O.S., B.P. 1048, Abidjan. WTD in preparation.

352 Farm machinery

PORTUGAL—Fruit, vegetable grading, cleaning, sorting machines; belt, other conveyor systems for handling fruit, vegetable cases. Direct purchase and agency. Agricel (importer, distributor). Rua Rodrigues Sampaio 19-2°-A, Lisbon 2. WTD in preparation.

353 Construction, mining, materials handling machinery, equipment

★★ **PARAGUAY**—Drilling rig, water well, to 100 meters deep. German Jara (rancher), Espana y Padre Cardozo, Asuncion. WTD in preparation. TMD-5.

PORTUGAL—Elevating, conveying machinery, other cargo handling equipment for use in harbours. Direct purchase and agency. Trafepor—Sociedade de Trafego Portuario, Lda. (importer), Rua da Emenda 13-2°, Lisbon. WTD in preparation.

● **SPAIN**—Construction and erection of two "kangaroo" cranes, with conveyor strip and capstan for freight cars.

Interested bidders must make a reimbursible deposit of the Peseta equivalence of $10,570 in order to bid. Bid deadline July 15.

Direccion General de Puertos y Senales Maritimas, Ministerio de Obras Publicas, Madrid (3). Copies of specifications available in Spanish from above address.

● **TURKEY**—Invitation for floating crane, work load 1.5 tons @ 10 meter, maximum work load 5 tons. Main circuit 220/380 volt 50 frequency, control circuit 220 volt, self-propelled, diesel. Pontoon plates to be built in Turkey to bidder design. Machinery/equipment installed in Turkey under bidder supervision. Tender deadline June 5. Denizcilik Bankasi, Istanbul.

● **YUGOSLAVIA**—Six dumpers 4 cu.m., for tunnel work, with two-way steering; one loader "caterpillar", 1,15cu.m., for tunnel work, overhead unloading; one bulldozer "caterpillar", 160-180 hp, hydraulic commands, front knife, with two-pronged reaper; 2 battery locomotives, 10-12 tons, for tunnel work; two concrete pumps, 22 cu.m./hour; two concrete transport machines (to the pump), consisting of conveyor belt and bunker 3 cu.m.; six compressors, constant capacity 20-27 cu.m./hour; one pneumatic concrete transporter, 4-10 cu.m./hour; one dozator for dry mixture, 3 cu.m.; three tunnel drilling machines with two pistols, assembled on a scaffold. 50-60 cm/min. Tender No. S1. list SFRJ #16 4/24/68. Bid deadline July 23. Planum, Gradjevinsko preduzece (construction contractor), Zemun/u. 22 oktobar br. 15. WTD in preparation.

Correspondence in English preferred.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

354 Metalworking machinery

FRANCE—Portable pneumatic, electric hand tools, riveting machines for concealed rivets. Direct purchase and agency. Holtzer & Cie. (importing wholesaler, distributor), 32 Route des Romains, 67 Strasbourg-Koenigshoffen. WTD 5/68.

JAPAN—Automatic tire changing devices, small sized. United Services Corp. (importer, exporter). Sanshin Bldg., 10 Yuraku-cho 1-chome, Chiyoda-ku, Tokyo. Attn: Mr. Y. Kaimasu, Mgr. WTD in preparation.

SWEDEN—Pneumatic machinery such as drilling, grinding, nut tightening. Agency and direct purchase. NEJ:s Handel & Industri AB (wholesaler, retailer), S-570 16 Kvillsfors. WTD 5/68.

355 Special industry machinery

AFGHANISTAN—Complete small skin pickling, tanning plant for processing chinchilla skins. Chinchilla Joint Stock Co. (manufacturer, importer, wholesaler), P.O. Box No. 449, Kabul. WTD 4/68.

HONDURAS—Scrapping, rubber covering machinery for manufacture of raincoats. Casa Barahona (manufacturer), Carretera a Toncontin, Comayaguela, D.C. WTD 4/68.

★★ **PARAGUAY**—Corrugated cement (with asbestos filler) roofs, manufacturing equipment. Roof section is 2.44 meters x 1.22 meters and 4 mm. thick. Plant must produce 100m sq. meters/year of roofing. Atlas S.A. (manufacturer), Palma 694, Asuncion. WTD in preparation. TMD-2.

PORTUGAL—Fruit, vegetable canning, packing machinery. Direct purchase and agency. Agricel (importer, distributor), Rua Rodrigues Sampaio 19-2°-A, Lisbon 2. WTD in preparation.

Banana food processing machinery, including banana cream, paste. Direct purchase and agency. Companhia Hanseatica Lohmann & Co., Lda. (importer, distributor), Apartado 1425, Lisbon 1. WTD in preparation.

● **YUGOSLAVIA**—Bleaching machinery, washing machines, drying machines, dyeing machines, doubling maching machinery, spreading machines, thermosol equipment, and other. Tender No. S1. list SFRJ #16 4/24/68. Bid deadline July 23. Teking Invest (importer), Beograd/7. jula 9. WTD in preparation.

● Six special fine knitwear machines (using: cotton, silk, synthetic fibers); one dyeing machine for knitwear; one drying machine for knitwear of 300 kg/hour capacity; 42 sewing machines for knitwear; one pressing iron for cotton and synthetic knitwear; one warping machine (knitted cloth) of 1,000 kg for 7,5 hours capacity; one machine for production of cotton wool, 800 kg for 7,5 hours capacity. Tender No. S1. list SFRJ #16 4/24/68. Bid deadline July 23. Masino Impex (importer), Zagreb/Varsavska 9, Sektor uvoza. WTD in preparation.

● Four printing machines; one paper-cutting knife, one perforating machine, equipment for form preparation in bookprinting, one plasticizer, complete equipment for printing and production of double-weight and corrugated packing materials. Tender No. S1. list SFRJ #16 4/24/68. Bid deadline July 23. Grafika, Export-Import and Wholesale (importer), Zagreb/Vinogradska 25. WTD in preparation.

● Warping, thread making, spinning machines; Jacquard looms for rugs (20 units), rug contact drying machines, and other. Tender No. S1. list SFRJ #16 4/24/68. Bid deadline July 23. Teking Invest (importer), Beograd/7. jula 9. WTD in preparation.

356 General industrial machinery

FRANCE—Portable hydraulic power pumps, motors. Direct purchase and agency. Holtzer & Cie. (importing wholesaler, distributor), 32 Route des Romains, 67 Strasbourg-Koenigshoffen. WTD 5/68.

GREECE—Air and gas compressors; pumps; parts and attachments for pumps. Requests c.i.f. Piraeus price quotations. D. Spyropoulos—"Rhac" (sales agent), 78 Themistocleous St., Athens 145. WTD 3/68.

NEW ZEALAND—Industrial transmission equipment: reduction gears, wormgears, spurgears, torque arm, epicyclic reducers; variable transmission drives, transmission chain, conveyor chain; couplings (flexible, rigid, fluid), industrial disc brakes, industrial clutches. Maud, Kirk Machinery Ltd. (importer, distributor), P.O. Box 165, Lower Hutt. WTD in preparation.

★★ **PARAGUAY**—Refrigeration unit, meat, 1,000 lbs. max. German Jara (rancher), Espana y Padre Cardozo, Asuncion. WTD in preparation. TMD-6.

★★ Water pumps with diesel engine drive 10" casing size, deep well, two-four ea.; about 15 meters in depth, average GPM rating for 10" D/A casing; include pumps, drive units, well casing, filters for fine sand. German Jara

(rancher), Espana y Padre Cardozo, Asuncion. WTD in preparation. TMD-4.

PORTUGAL—Hydropneumatic and submersible water pumps, compressors; ventilators, industrial ventilating systems. Direct purchase and agency. Mafatil-Sociedade Internacional de Representacoes, Lda. (importer, sales agent), Av. Praia da Vitoria 14-A, Lisbon. WTD in preparation.

Ventilating, blowing and exhaust fans for general industrial, commercial use; air purification, dust collection equipment; fume collecting equipment for industrial, domestic use. Direct purchase and agency. Socequi-Sociedade de Equipamentos Industriais, Lda. (importer, wholesaler, agent), Rua de Oliveira Monteiro, 21-2° Esq., Oporto. WTD in preparation.

● **SUDAN**—Supply of two electrical submersible pumps, each capable of delivering 4,500 gals per hour, against a manometric head of 160-175 ft. Tender No. CEWC/CH.E(C) 479/68, bid deadline June 9. Central Electricity and Water Corp., P.O. Box 1380, Khartoum.★ (Telephone: 202-967-5585).

357 Office, computing, accounting machines

PORTUGAL—Stapling machines for use in paperboard packaging industry. Direct purchase and agency. C. A. Ferreira, Lda. (importer, wholesaler), Rua do Quelhas 22-r/c-Dto., Lisbon 2. WTD in preparation.

358 Service industry machines

GREECE—Air conditioners; household, window type. Requests information, prices. Direct purchase and agency. Aegean Trading Co. (importer, commission agent), 13 Hermou St., Thessaloniki. WTD 4/68.

PORTUGAL—Air conditioning equipment; commercial, industrial refrigeration machinery, equipment; refrigerated counters, counter display cases for commercial use. Direct purchase and agency. Socequi-Sociedade de Equipamentos Industriais, Lda. (importer, wholesaler, agent), Rua de Oliveira Monteiro, 21-2° Esq., Oporto. WTD in preparation.

359 Machinery

NETHERLANDS—Tire valves, valve accessories for automotive, aircraft tires. Direct purchase and exclusive representation for Netherlands and/or other Common Market countries requested. Autobanden Import J. Tolk N.V. (importer, distributor, exporter), 62-68 Daniel Stalpertstraat, Amsterdam. WTD 5/68.

361 Electric transmission, distribution equipment

● **BELGIUM**—Supply of the following electronic measuring, testing, and control equipment and data analysis centers: one data analysis center for rack mounting; two data analysis center mounted on dolly, complete with accessories and drawers; one multiple outlet panel; one oscilloscope or visual monitor; three manuals of all equipment. Tender No. 68-52 CANDE MAT., bid deadline July 1.

Supreme Headquarters Allied Powers Europe, Purchasing and Contracting Office, ACE Communications Electronics Equipment, Communications and Electronics Division, SHAPE, Belgium.★ (Telephone: 202-967-2939).

363 Household appliances

PORTUGAL—Household laundry driers, exhaust hoods for kitchens. Direct purchase and agency. Mafatil-Sociedade Internacional de Representacoes, Lda. (importer, sales agent), Av. Praia da Vitoria 14-A, Lisbon. WTD in preparation.

Heating units, baseboard or wall, electric radiant heating element; heating units, for electric appliances. Direct purchase and agency. Socequi-Sociedade de Equipamentos Industriais, Lda. (importer, wholesaler, agent), Rua de Oliveira Monteiro, 21-2° Esq., Oporto. WTD in preparation.

365 Radio, television receiving sets

SWEDEN—Hifi amplifiers, phonographs, loudspeakers. Telefirma Thomas Frang (manufacturer, retailer), Utlandagatan 33, S-412 61 Goteborg. WTD 4/68.

366 Communication equipment

FRANCE—Ultrasonic cleaning apparatus. Direct purchase and agency. Holtzer & Cie (importing wholesaler, distributor), 32 Route des Romains, 67 Strasbourg-Koenigshoffen. WTD 5/68.

KOREA—Communication equipment, products such as microwave, telephone apparatus. Sam Bang Electronic Ind. Co., Ltd. (construction contractor), C.P.O. Box 5225 Seoul. WTD in preparation.

● Supply of train dispatching telephone equipment, teletypewriters, an automatic telegraph switchboard, facsimile equipment, a private automatic telephone branch exchange, open-wire telephone terminals, and associated products.

Tender No. KFX-8041-P, bid deadline June 11. Office of Supply, Government of the Republic of Korea, Seoul.★ (Telephone: 202-967-4823).

367 Electronic components, accessories

GERMANY—Fuel cells. Direct purchase and agency. Alfred Neye, Enatechnik (dealer, representative), 2085 Quickborn bei Hamburg, Schillerstrasse 14. WTD 5/67.

371 Motor vehicles, motor vehicle equipment

FRENCH GUIANA—Motor vehicles, including cars, trucks, tractors. Direct purchase and agency. Ets. Baudin Freres et Cie (importer, agent, retailer), 57 Rue Rouget de l'Isle, Cayenne. WTD 5/68.

SWITZERLAND—Hydrostatic servosteering for industrial, agricultural vehicles. Direct purchase and agency. M. Eschler (importer, agent, distributor), Urania-Accessoires, Badenerstr. 288-294, 8004 Zurich. WTD 5/67.

373 Ship building, repairing

COLOMBIA—Serviceable ocean going ships 150/200 and 500/600 ton capacity with cold storage facilities suitable for frozen beef cargo transport. Request descriptive information as to size, hp, cost. Suramericana de Exportaciones Ltda. (wholesalers, exporters), Apartado Aereo (Air mail P.O. Box) 195, Barranquilla. WTD 4/68.

★★ **PARAGUAY**—Tugboat, push. General specifications available on loan from Trade Opportunities Staff, BDSA 624, Room 4259, Dept. of Commerce, Washington, D.C. 20230. Eberhard Lewkowitz (importer), Casilla de Correo 523, Asuncion. WTD in preparation. TMD-1.

382 Instruments for measuring, controlling, indicating physical characteristics

● **INDIA**—Supply of one universal testing machine, 400,000 lbs. (200 short tons) capacity, complete with all standard and electrical equipment suitable for operation on 400/440 volts, 3 phr., 50 cycles, A.C.

Tender No. B-3133/AID, bid deadline June 28. Purchase to be made under AID loan No. 126. Chief Purchase Officer, Beas Purchase Organization, Talwara Township, Distt. Hoshiarpur, India. Tender documents available free from the India Supply Mission 2536 Massachusetts Ave., N.W., Washington, D.C. 20008.

384 Surgical, medical, dental instruments

ITALY—Personal safety appliances, equipment, including protective clothing, gloves. Direct purchase and agency. G.&L. Caruso Torrisi (manufacturer, agent, wholesaler, exporter, importer), 3 Via Simeto, 95129 Catania. WTD 4/68.

SWEDEN—Surgical instruments, surgical appliances, supplies, preferably new products. Agency and direct purchase. R. Soderberg & Co. AB (agent, wholesaler), Drottninggatan 13, S-403 14 Goteborg 2. WTD 4/68.

385 Ophthalmic goods

ITALY—Eye protectors. Direct purchase and agency. G.&L. Caruso Torrisi (manufacturer, agent, wholesaler, exporter, importer), 3 Via Simeto, 95129 Catania. WTD 4/68.

394 Toys, amusement, sporting goods

AUSTRIA—New types of toys, games. Price quotations preferably on basis of c.i.f. Austrian border. Erwin Allram, Wirtschaftswerbung-Handelsagentur (advertising, commission agency), A-3860 Heidenreichstein. WTD 5/68.

FRANCE—Dolls, stuffed animals, games, other toys. Requests replies in French. Ets. Kosmann Freres (importing wholesaler), 1 Rue des Vosges, 67 Schiltigheim. WTD 5/68.

NETHERLANDS—Swimming pools. Direct purchase and agency. W. H. den Ouden N.V. (importer, distributor, exporter), 15 Goudsesingel, Rotterdam-1. WTD 4/68.

SWITZERLAND—Toys of all kinds, sporting goods, water skis, golf balls, golf equipment. Direct purchase and agency. Orbis International (importer, exporter, wholesaler), Russenweg 12, 8008 Zurich. WTD 7/67.

399 Manufacturing industries

AFGHANISTAN—Plastic, linoleum floor coverings. Haji Mohammad Hashem, son of Haji Mohammad Ashur (iron merchant, importer, exporter), Jade Maiwand No. 2, Kabul. WTD 5/68.

AUSTRIA—Advertising gifts, novelty items for sale through department stores, mail order houses. Price quotations preferably on basis of c.i.f. Austrian border. Erwin Allram, Wirtschaftswerbung-Handelsagentur (advertising, commission agency), A-3860 Heidenreichstein. WTD 5/68.

FRANCE—Giftware, gadgets. Requests replies in French. Ets. Kosmann Freres (importing wholesaler), 1, Rue des Vosges, 67 Schiltigheim. WTD 5/68.

SWITZERLAND — Advertising novelties, bone, beaded, shell novelties. Direct purchase and agency. Orbis International (importer, exporter, wholesaler), Russenweg 12, 8008 Zurich. WTD 7/67.

504 Groceries

GERMANY—Fresh fruits, sub-tropical fruits, vegetables, ready packaged in large containers. Requests price quotations f.o.b. American ports or c.i.f. Rotterdam or Hamburg. Requests replies in German. Koch & Mann Sued GmbH. (importer, wholesaler), Postfach 987, 5 Koeln a. Rh. 1. WTD 4/68.

509 Wholesalers

SWITZERLAND—All kinds of gifts, novelties. Direct purchase and agency. Orbis International (importer, exporter, wholesaler), Russenweg 12, 8008 Zurich. WTD 7/67.

739 Business services

PERU—Management consulting firm wishes to associate itself with similar firm in United States. V. Rodolfo Malpica S.A., Manager Director, Promociones e Inversiones S.A. (management consulting), Paseo de la Republica 111-505, Lima. WTD in preparation.

Sales Representation

The firms listed below are interested in representing U.S. firms in the areas indicated. Exclusive distributorship for these commodities is wanted only if specified.

011 Field crop farms

NETHERLANDS—Michigan pea bean culls (Latin name: Vigna Sinensis); chick peas, whole or broken (Latin name: Cicer Arietinum); feed beans, whole or broken (Latin name: Phaseolus). Commission agency, representation and/or direct purchase. Sales territory European continent. Pluygers & Co. N.V. (importer, agent, exporter, distributor, manufacturer, processor), 108b Westzeedijk, or P.O. Box 881, Rotterdam. Attn. Mr. H. Lindemans. WTD 4/68.

161 Highway and street construction

★★ **PARAGUAY**—Highway and bridges, general construction projects. Eberhard Lewkowitz (importer, exporter), Alberdi 342, Asuncion. WTD in preparation. TMD-13.

162 Heavy construction except highways, streets

★★ **PARAGUAY** — Waterworks projects; small water purifying projects. Bid issuance in approx. two months. Eberhard Lewkowitz (importer, exporter), Alberdi 342, Asuncion. WTD in preparation. TMD-10.

201 Meat products

SPAIN—Canned meats in general; fresh, frozen poultry. Carmelo Tosco Perez (agent), Miraflores 7, Santa Cruz de Tenerife (Canary Islands). WTD 4/68.

202 Dairy products

SPAIN—Powder, condensed, evaporated milk; butter; cheese. Carmelo Tosco Perez (agent), Miraflores 7, Santa Cruz de Tenerife (Canary Islands). WTD 4/68.

203 Canning, preserving foods

SPAIN—Canned fruits, vegetables. Carmelo Tosco Perez (agent), Miraflores 7, Santa Cruz de Tenerife (Canary Islands). WTD 4/68.

204 Grain mill products

NETHERLANDS—Dehydrated alfalfa pellets; corngluten meal pellets; other cattle feeds, meals; animal, vegetable proteins. Commission agency, representation and/or direct purchase. Sales territory European continent. Pluygers & Co. N.V. (importer, agent, exporter, distributor, manufacturer, processor), 108b Westzeedijk, or P.O. Box 881, Rotterdam. Attn. Mr. H. Lindemans. WTD 4/68.

209 Food preparation

NETHERLANDS—Soybean meal extraction (44%); cottonseed extraction; bleachable tallow; other vegetable, animal oils, fats. Commission agency, representation and/or direct purchase. Sales territory European continent. Pluygers & Co. N.V. (importer, agent, exporter, distributor, manufacturer, processor), 108b Westzeedijk, or P.O. Box 881, Rotterdam. Attn. Mr. H. Lindemans. WTD 4/68.

SOMALIA—Edible oil; flour (white). A.&H. Trading Co. (import agent), P.O. Box 57, Hargeisa. WTD 4/68.

221 Broad woven fabric mills, cotton

AUSTRALIA—Dress materials; cotton. John Grinston & Co. Pty. Ltd. (agent, distributor, importer), Globe & Pennon House, 143-5 York St., Sydney, 2000. WTD 4/68.

222 Broad woven fabric mills, manmade fiber, silk

AUSTRALIA—Dress materials; synthetics. John Grinston & Co. Pty. Ltd. (agent, distributor, importer), Globe & Pennon House, 143-5 York St., Sydney, 2000. WTD 4/68.

229 Textile goods

VENEZUELA—Fine long-fiber white cotton waste. Sales agency for Caracas. Ferrimport, C.A. (importer, sales agent), Quinta Pipina, Avenida Honduras, Las Acacias, Caracas. or: Apartado 7693 Nueva Granda, Caracas. WTD 10/67.

239 Fabricated textile products

AUSTRALIA—Dress trimmings. John Grinston & Co. Pty. Ltd. (agent, distributor, importer), Globe & Pennon House, 143-5 York St., Sydney, 2000. WTD 4/68.

264 Converted paper, paperboard products

IRAN—Wallpaper embossed plastic made on textile backing. Faydar Co. (importer), 639-641 Shemiran Ave., Tehran. WTD 4/68.

281 Industrial chemicals

MEXICO—Refined naphthalene, isopropyl alcohol, methanol, piperazine citrate, phenol, tall oil acid, sodium aluminum silicate, cresylic acid. Corporaciones Industriales, S. A. (commission agent), Insurgentes Sur 299-105, Mexico 11, D. F. WTD 4/68.

283 Drugs

NETHERLANDS—X-ray, cystouretrography contrast media. Exclusive agency. Pharmaceutische Groothandel J.H. Rooster & Zoon (importer, distributor, agent, retailer), 6-8 Infirmeriestraat, or P.O. Box 4049, Rotterdam 16. WTD 5/68.

284 Soap, detergents, cleaning preparations, perfumes, cosmetics

HONDURAS—Cosmetics, perfumes, other toilet preparations. Exclusive representation. Farmacia Modelo (retailer), 3a. Calle, Avenida Cervantes, Tegucigalpa, D. C. WTD 4/68.

SPAIN—Novelty products in field or soaps, perfumes, cosmetics. Metro Agencies (agent), Apartado de Correos N° 2107, Las Palmas de G. Canaria. WTD 5/68.

314 Footwear, except rubber

HONDURAS—Footwear made of plastic imitation leather for men, women, children. Rafael Kafie (manufacturers' representative), Apartado 62-C, Tegucigalpa, D. C. WTD 4/68.

320 Stone, clay, glass products

NETHERLANDS — Building materials. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. (Attn. Mr. F. E. H. Hutgens, Assistant Manager). WTD 5/68.

New materials, methods and designs for building industry. Sales territory Benelux countries; also interested in license production arrangement. N.V. v/h Technisch Bureau "Nering Bogel" (sales office, distributor, exporter), 78-86 Lozerweg, or P.O. Box 3, Weert. WTD 9/67 or Globe N.V.

Materials for building, road, other construc-

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tion industries. Agency, representation, direct purchase and/or other sales arrrangement. J. A. Monster N.V. (importer, agent, distributor, exporter), 47 Dorpsstraat, or P.O. Box 11, Vreeswijk. Attn. Mr. H. Deijere, Assistant Manager. WTD 5/68.

331 Steel mill products

GREECE—Stainless steel sheets. Requests c.i.f. Piraeus price quotations. D. Spyropoulos—"Rhac" (sales agent), 78 Themistocleous St., Athens 145. WTD 3/68.

332 Iron, steel foundries

NETHERLANDS—Architectural and municipal sewer and water mains; iron and steel casting work such as grilles, pipes, tunnel coverings, separators; especially interested in new designs in this field. Sales territory Benelux countries. Also interested in license production arrangement. N.V. v/h Technisch Bureau "Nering Bogel" (sales office, distributor, exporter), 78-86 Lozerweg, or P.O. Box 3, Weert. WTD 9/67 on Globe N.V.

335 Rolling, drawing, extruding of nonferrous metals

GREECE—Copper tubes. Requests c.i.f. Piraeus price quotations. D. Spyropoulos—"Rhac" (sales agent), 78 Themistocleous St., Athens 145. WTD 3/68.

342 Cutlery, hand tools, general hardware

NETHERLANDS—Metal products, cutlery, hand tools, hardware, small mechanical appliances. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn. Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

344 Fabricated structural metal products

NETHERLANDS—High pressure boilers. Representation, licensing, joint-venture or other production arrangements. Sales territory Benelux, West Germany. N.V. S.I.F. (manufacturer, metalworking services, distributor, exporter), 4 Industrieterrein, Helden-Panningen. Attn. Mr. L. Stapper, Assist. Mgr. WTD 4/68.

★★ **PARAGUAY**—Silos, grain. Eberhard Lewkowitz (importer, exporter), Alberdi 342, Asuncion. WTD in preparation. TMD-12.

349 Fabricated metal products

NETHERLANDS—All types of solenoid valves. Exclusive representation. Rotscheid, Electrotechnisch Bedrijf, N.V. (manufacturer, importer, distributor), 18 Cort van der Lindenstraat, Rijswijk, The Hague. WTD 4/68.

Various types of valves, automatic control. Exclusive representation arrangements for Netherlands. Particularly interested in new product items. Dordchem, N.V. (importer, distributor), 9 Oranjestraat, The Hague. WTD 10/67.

Valves. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn. Mr. F. E. H. Hutgens, Assistant Manager. WTD 5/68.

Containers. Representation, licensing, joint-venture or other production arrangements; sales territory Benelux, West Germany. N.V. S.I.F., 4 Industrieterrein, Helden-Panningen. Attn. Mr. L. Stapper, Asst. Mgr. WTD 4/68.

351 Engines, turbines

VENEZUELA—Diesel engines up to 500 hp. Liquid Carbonic Venezolana, S.A. (manufacturer, importer, distributor), Parate Bueno, Carretera de Antimano, D.F., or: Apartado 6264, Caracas. WTD 1/67.

352 Farm machinery

SPAIN—Fruit picking machinery; machinery for pulverizing fertilizers, insecticides. Metalurgica de Santa Ana, S.A. (manufacturer, importer, exporter), Apartado de Correos 13.170, Madrid (2). WTD 3/68.

SUDAN—Peanut digging machines. Exclusive agency. The Transport & Trading Co. (Sudan) Ltd. (importer), P.O. Box 39, Khartoum. WTD in preparation.

353 Construction, mining, materials handling machinery, equipment

NETHERLANDS—Gantry, rail, dock cranes. Representation, licensing, joint-venture or other production arrangements. Sales territory Benelux, West Germany. N.V. S.I.F. (manufacturer, metalworking services, distributor, exporter), 4 Industrieterrein, Helden-Panningen. Attn: Mr. L. Stapper, Assist. Mgr. WTD 4/68.

Materials handling equipment, accessories; building machinery & supplies; oil & gas equipment. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

354 Metalworking machinery

VENEZUELA—Hand tools for industrial, craftsmen's use; portable electric tools, 110V, 50/60 cycles. Sales agency for Caracas. Ferrimport, C.A. (importer, sales agent), Quinta Pipina, Avenida Honduras, Las Acacias, Caracas. or: Apartado 7693 Nueva Granada, Caracas. WTD 10/67.

356 General industrial machinery

ITALY—Speed variators for sewage pumps. Officine Angelo Panelli (manufacturer), 29 Via Giordano Bruno, Alessandria. WTD 6/67.

NETHERLANDS—Sprinkler equipment for fire protection, either FM or FOG approved. Exclusive agency for Benelux or Netherlands. De Veer N.V. (distributor, installer), 41-43 Noordenweg, or P.O. Box 62, Ridderkerk. WTD 4/68.

Gears, clutches, couplings, other machinery components. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

357 Office, computing, accounting machines

PAKISTAN—Addressing, dictating, duplicating, postal franking, other office machines except typewriters, calculators. Minhajuddin & Company Limited (importer, wholesaler, agent), Globe Chambers, 104 Motijheel, P.O. Box No. 1082, Dacca-2. WTD 11/67.

358 Service industry machines

GREECE—Room air conditioners; air conditioning and refrigeration equipment in general; commercial refrigerators, related equipment; condensing units for refrigerators; components and accessories for air conditioning, refrigeration equipment. Requests c.i.f. Piraeus price quotations. D. Spyropoulos—"Rhac" (sales agent), 78 Themistocleous St., Athens 145. WTD 3/68.

★★ **PARAGUAY**—Cold storage units; meats, vegetables; also installation. Eberhard Lewkowitz (importer, exporter), Alberdi 342, Asuncion. WTD in preparation. TMD-11.

362 Electrical industrial apparatus

GREECE—Industrial controls. Requests c.i.f. Piraeus price quotations. D. Spyropoulos—"Rhac" (sales agent), 78 Themistocleous St., Athens 145. WTD 3/68.

NETHERLANDS—Electrical disturbance indicators with an alarm system used by automatic process equipment, locating and indicating primary and following disturbances; all types of solenoid switches for industrial use. Exclusive representation arrangements. Rotscheid, Electrotechnisch Bedrijf, N.V. (manufacturer, importer, distributor), 18 Cort van der Lindenstraat, Rijswijk, The Hague. WTD 4/68.

371 Motor vehicles, motor vehicle equipment

HONDURAS—Automotive spare parts. Columbia Agencies (agent), Attn: Mariano Aguilar O., Apartado Postal 687, Tegucigalpa, D.C. WTD 4/68.

372 Aircraft, parts

NETHERLANDS—Aircraft parts, components; aviation equipment, accessories. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

Late Leads—Information received too late to be of value to bidders is published because many readers will find it of value in follow-up campaigns to sell complementary products and subsidiary services. Sometimes a cable to an agent on the scene will result in tie-in sales.

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373 Ship building, repairing

★★ **PARAGUAY**—Barges, 50 meters long, 40 meters wide, 10 to 20 ea. Eberhard Lewkowitz (importer, exporter), Alberdi 342, Asuncion. WTD in preparation. TMD-14.

374 Railroad equipment

★★ **PARAGUAY**—Steam locomotives, used. Eberhard Lewkowitz (importer, exporter), Alberdi 342, Asuncion. WTD in preparation. TMD-8.

381 Engineering, laboratory, scientific, research instruments

NETHERLANDS—Laboratory, scientific, research equipment, supplies. Agency, representation, licensing, joint-ventures or other arrangements. Sales territory Benelux area and/

or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

382 Instruments for measuring, controlling, indicating physical characteristics

NETHERLANDS—Industrial and scientific measuring, regulating, checking, recording equipment. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

All types of fluid-logic systems controls, fluidics; liquid level controls; mechanical measuring and controlling instruments. Exclusive representation. Rotscheid, Electrotechnisch Bedrijf, N.V. (manufacturer, importer, distributor), 18 Cort van der Lindenstraat, Rijswijk, The Hague. WTD 4/68.

383 Optical instruments, lenses

NETHERLANDS—Optical equipment, supplies. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

384 Surgical, medical, dental instruments

NETHERLANDS—Medical and hospital equipment, supplies. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

VENEZUELA—Medical instruments, supplies. Agency for Caracas, States of Guarico, Carabobo. Requests replies in Spanish. Jomarc Representaciones Medico Quirurgicas, S.A. (sales agent), Apartado N° 10.109 (Sabana Grande), Caracas. WTD 12/67.

386 Photographic equipment

HONDURAS—Medical, dental X-ray film. Manuel Saravia (agent), Edificio Midence-Soto 505 (Apartado Postal 558), Tegucigalpa, D.C. WTD 4/68.

NETHERLANDS—Photographic equipment, supplies. Agency, representation, licensing, joint-venture or other arrangements. Sales territory Benelux area and/or West Germany. N.V. Nederlandsche Instrumenten Compagnie "Nedinsco" (manufacturer, exporter, importer, distributor), 17 Molensingel, or P.O. Box 40, Venlo. Attn: Mr. F. E. H. Hutgens, Assist. Mgr. WTD 5/68.

387 Watches, clocks, parts

SPAIN—Kitchen, wall clocks. Must be competitively priced. Metro Agencies (agent), Apartado de Correos N°. 2107, Las Palmas de G. Canaria. WTD 5/68.

394 Toys, amusement, sporting, athletic goods

VENEZUELA—Toys, dolls. Gunz, S.R.L. (sales agent), Edificio Carvallo, Piso 1, Esquina Tienda Honda, Caracas, or: Apartado 1382, Caracas. WTD 10/67.

396 Costume jewelry, novelties, buttons, notions

SPAIN—All classes of novelties. Metro Agencies (agent), Apartado de Correos N°. 2107, Las Palmas de G. Canaria. WTD 5/68.

Leads for Importers

Commodities are offered direct unless specified

019 Miscellaneous farms

AFGHANISTAN—Italian stock chinchilla skins. Chinchilla Joint Stock Co. (manufacturer, importer, exporter), P.O. Box No. 449, Kabul. WTD 4/68.

225 Knitting mills, products

COLOMBIA—Typical wearing apparel. Britco Ltda. (importers, exporters), Calle 13 No. 12-42, Bogota. WTD 5/68.

238 Apparel, accessories

AFGHANISTAN—Afghan hand-embroidered sheep-skin coats, overcoats, vests. Aziz Supermarket (importer, exporter), Zarghoona Maidan, Kabul. WTD 6/67.

317 Handbags, personal leather goods

COLOMBIA—Leather goods. Britco Ltda. (importers, exporters), Calle 13 No. 12-42, Bogota. WTD 5/68.

391 Jewelry, silverware, plated ware

COLOMBIA—Silverware. Britco Ltda. (importers, exporters), Calle 13 No. 12-42, Bogota. WTD 5/68.

New Trade Lists

The Bureau of International Commerce has published the following Trade Lists of which mimeographed copies may be obtained by firms domiciled in the United States from BIC-924, U.S. Department of Commerce, Washington, D.C. 20230, and from Department of Commerce Field Offices. The price is $1 per list for each country. All are dated May.

Business Firms—Afghanistan.

Machinery, Equipment and Supplies—Electrical—Importers and Distributors—Colombia.

Photographic Supplies Dealers and Photographers—Israel.

Vending Machines—Importers and Dealers—Switzerland.

Visiting Buyers and Officials

Scheduled arrival dates and U.S. addresses indicated

EL SALVADOR—Alfredo Errazuriz and Julian Otero R., Incubaciones Avinsa, S.A., P.O. Box 1253, San Salvador, interested in **purchasing chicken breeders for broilers and layers and requesting technical information.** May 19 via New Orleans for 15 days. c/o Sheraton Charles Hotel, New Orleans, La. Itinerary: Hartford, Conn., Chicago, Fresno, Calif. WTD 3/68.

ENGLAND—Frank Silverman, Managing Director, Inter-Mart Ltd., 106 Princes Park Ave., London, N.W. 11, interested in **representation arrangements with U.S. companies for teenage clothing for boys and girls, belts, textiles.** May 30 via New York for approx. 21 days. c/o 9912 65th Road, Rego Park, N.Y. 11374. Itinerary: New York, others if necessary. WTD in preparation.

HONG KONG—Yap-Yui Ling, Wing Heng Trading Co., 16th Floor, 107-111, Des Voeux Road C, Hong Kong, interested in **importing building materials and hardware from U.S., exporting woolen knitwear and sundries to U.S.** June 10 via New York for 25 days. c/o Harold Himmel, The Himmel Brothers Co., 1409 Dixwell Ave., Hamden, Conn. 06514. Itinerary: New York, Chicago, Los Angeles, San Francisco. WTD 5/65 under revision.

ISRAEL—Joseph Baum, Managing Director, Koroz Ltd., Industrial Zone A, Ramle, interested in **purchasing coin-operated vending machines for bottled soft drinks and/or license agreement for local manufacture and/or assembly, purchasing various parts for refrigerators, visiting plants, and requesting technical information on production.** End of May via New York for 2-3 weeks. c/o E. Keren, Apt. 18E, 5900 Arlington Ave., Riverdale, N.Y. 10471. Itinerary: to be decided after arrival. WTD in preparation.

NEW ZEALAND—Russell G. Waliwork, Machinery Manager, Auckland Branch, A. M. Satterthwaite & Co. Ltd., Cnr. Carlton Gore Road and Kingdon St., Newmarket, or P.O. Box 9031, Auckland 1, interested in **visiting machining centers and machine tool companies, seeing their facilities in operation, and desirous of representation in New Zealand.** June 1 via New York for ten days. c/o Department of Commerce New York Field Office. Itinerary: New York; Chicago; Rockford and LaSalle, Ill.; San Leandro, Calif. WTD 7/67.

PAKISTAN—Shabanali Ghulam Hussain, Ghulam Hussain & Co., 161 N. Napier Road, Karachi 2, interested in **purchasing all types of secondhand clothing.** June 1 via New York for two weeks. c/o Midwest Waste Material & Co., 1947 East Kirby Ave., Detroit, Mich. 48211. Itinerary: New York, Baltimore, Detroit, Chicago, Los Angeles, Las Vegas, San Francisco. WTD in preparation.

SOUTH AFRICA—W. Bruckmann, W. Bruckmann (Pty.) Ltd., 501 Pritchard House, Cnr. Pritchard & Von Weilligh Sts. or P.O. Box 7936, Johannesburg, interested in **acquiring agencies for U.S. dress materials, laces, trimmings and furnishing textiles.** June 3 via New York for one week. c/o D.

Targoff, Native Laces & Textiles Inc., 261 5th Ave., New York, N.Y. 10001. Itinerary: New York. WTD in preparation.

SWEDEN—Sture Samuelsson and Per Erik Lagerlof, Skogsagarnas Industri AB, Hultsfred, interested in **buying machinery and equipment for manufacture of components for prefabricated wooden houses, such as walls, windows, complete bathrooms, kitchen cabinets, and requesting technical information.** May 12 via New York for three weeks. c/o Morgan Machine Co., 1230 University Ave., Rochester, N.Y. 14607. Itinerary: New York State; Pittsburgh; Akron and Toledo, O.; Detroit; Chicago; Minneapolis; Seattle; Washington; Philadelphia; New York. WTD. 10/67.

SWITZERLAND—Dr. Ernest Goldberger, Exim-Index, Dufourstrasse 11, Basel, interested in **contacting U.S. companies looking for licensees or distributors in Europe.** End of May via New York for three weeks. Itinerary: New York, cities as needed. WTD in preparation.

Future Construction

For maximum assistance to those interested in overseas construction projects, U.S. Foreign Service officers report them as soon as possible, often in early planning stages. Some may not reach completion as originally proposed. In such cases additional information is published as it is obtained.

CANADA—(C$.925 = US $1.00) The British-American Oil Co. recently announced **plans to build a 60,000 barrel a day refinery at Port Hawkesbury, Nova Scotia,** Canada. Cost of the facility should be about C$55 million. Construction is expected to be completed by about 1970.

In addition the federal-supported Cape Breton Development Corporation will provide C$4.5 million for part of the construction costs of a 700-foot wharf to handle fluid cargoes to and from tankers. The dock will also be available for other industries in the Point Tupper Industrial Park adjacent to Port Hawkesbury.

ECUADOR—The Government of Ecuador's Ministry of Industry and Commerce has announced that either **definitive studies or actual construction of the Pisayambo Electric Power and Irrigation Project will be contracted before Sept. 1 of this year.**

The Ministry has approached the World Bank and the Interamerican Development Bank for the necessary financing, and has been in contact with fifteen European construction firms.

U.S. firms wishing further information on this project should communicate directly with the Ministry of Industry and Commerce, Quito, Ecuador.

HONDURAS—The Honduras Power and Light Company (Empresa Nacional de Energia Electrica ENEE) announced its plans for **the construction of the Rio Lindo Hydroelectric Plant as the second phase of the Lake Yojoa-Rio Lindo hydroelectric project.**

The 35.5 million Lempira project (2 Lempiras equal 1 U.S. dollar) scheduled for completion in 1971 will have a capacity of 40,000 Kw and can generate 313 million Kwh annually. The project will stretch 9,200 meters from the outlet channel of the existing Canaveral plant to a point 250 meters below where the new plant will be constructed at the town of Rio Lindo.

The project will include a diversion and control structure in the outlet channel of the Canaveral plant, 1,370 meters of low pressure steel tubing, 900 meters of tunnel, a 750,000 cubic meter capacity reservoir, a reinforced concrete intake structure, a concrete building for the two generator units at Rio Lindo, a 1,000 meter length outlet channel, and 800 meters of access roads.

The main equipment to be installed will consist of two spherical intake valves, two four-jet impulse turbines (Pelton), each with a capacity of 29,300 hp; two 3-phase synchronous generators (21,000 Kw at 450 rpm); electrical controls; a low tension system; transformers, switches, and auxiliary equipment. There will be a transmission line from Rio Lindo to San Pedro Sula with steel towers, insulators, and conductors. The sub-station in San Pedro Sula will have an auto-transformer installation of 15,000/20,000 kw.

For further information, interested U.S. businessmen should write Ingeniero Pablo E. Pastor, Chief of the Department of Economic Planning, Empresa Nacional de Energia Electrica, Tegucigalpa, D. C.

● With groundbreaking completed and construction about to begin, owners of a planned **120-room hotel** in Tegucigalpa, Honduras, are now seeking a wide range of machinery and supplies for the new enterprise, including kitchen and bar equipment, laundry and dry cleaning equipment, boiler room equipment, and food refrigeration and conserving equipment.

United States firms specializing in these product lines are urged to send their catalogs together with requests for specifications to: Mr. Helmut Seidel, Hoteles de Honduras, S. A. de C. V., c/o Hotel Prado, Tegucigalpa, Honduras, C. A.

● **Nine major highways, costing over $50 million, are to be constructed in Honduras over the next five years.** In addition, two more projects, estimated to total $19 million, are in the preliminary planning stage.

Financing of the Honduran highway program will be underwritten by the World Bank, the Inter-American Development Bank and the Central American Bank for Economic Integration.

American firms interested in further details on any of the projects should immediately contact the Department of Highways in the Ministry of Public Works Dirección General de Caminos. Ministerio de Comunicaciones y Obras Públicas, Tegucigalpa, Honduras.

INDIA—The Government of India has announced that work on a project to expand port facilities at Marmagao in Goa will begin in late 1968. **The project, estimated to cost $36 million, includes construction of a mechanized ore berth which can accommodate 60,000-ton ore carriers and load 6,000 tons of iron ore an hour, a pier to handle petroleum products, and two general cargo berths and warehousing facilities.** Marmagao handled a record volume of 8 million metric tons of import and export cargo in Indian fiscal year 1966-67, of which about 90% consisted of iron ore exports.

U.S. firms interested in further details should write directly to Marmagao Port Trust, Marmagao, India.

ITALY—Sicily plans to invest about $150 million in the **development of additional sources of rock salt and potash.**

The Mining Agency of the Regional Government of Sicily has launched a three-year investment plan which includes the opening of a rock salt mine and a potash mine and the expenditure of $22 million for infrastructure (roads, water supply, other related items) and $5.8 million for exploration.

The Mining Agency also plans a salt processing plant and a plant for the production of sodium salts.

Sicily produces most of Italy's rock salt and virtually all of the country's potash.

NEW ZEALAND—The Government of New Zealand has approved the **construction of an international jet airport at Raratonga in the Cook Islands.**

The new airfield will be slightly over 7000 feet in length and will be capable of accommodating not only DC-8's but also the newly developed "air bus" aircraft, the DC-10 and Lockheed 10-11.

Total cost of construction should run at just over $6 million.

● **(NZ£1=$2.80)**—The New Zealand Government announced on May 7, 1968, its intention to proceed with the plans of the Post Office Department to **build a ground station for satellite reception.**

Cost of the ground station is expected to be around NZ$4 million and the station should be fully operational by the end of 1970.

Preliminary work reportedly is now well advanced and the Government has authorized the Post Office Department to issue tenders for the project as soon as specifications and site investigation have been completed. It is planned to call for world-wide bids within a few months and then negotiate with one or more of the bidders.

The satellite system is not intended to replace the present telephone links provided by underwater cables but will provide room for anticipated growth.

Further details will be published as soon as tenders are advertised and specific actions are available.

PERU—Initial planning is now underway for the construction of **three irrigation projects—Olmos, Majes and Chao-Viru—on the Peruvian coast.**

Cost of the projects, which will be financed from both domestic and foreign sources, should be in excess of $280 million.

According to preliminary data, the Olmos undertaking should result in the addition of 80,000 hectares, and the Majes project of 60,000 hectares of new irrigated land. Although no specific information is yet available regarding the size of the Chao-Viru project, it appears to be of roughly the same magnitude as the Olmos undertaking.

SINGAPORE—The Government of Singapore has recently announced that it has decided to **install an earth satellite station to be operational by 1970.**

While details are not yet available, potential U.S. suppliers of engineering services and equipment may wish to communicate directly to Mr. Wong Keng Sam, Permanent Secretary, Ministry of Communications, Singapore.

New Books and Reports

Export Market Guides give latest research information

Export Market Guides are prepared by the Commerce Department's Bureau of International Commerce to outline the market for a product in an individual country.

Although planned as an informational tool in conjunction with specific U.S. Trade Center shows and international fairs, the Guides are also of interest to readers seeking information about a particular foreign market.

Recent titles are:

Italy—Electronic Characteristics Measuring Equipment.

West Germany—Advanced Fluid Power Equipment & Fluidic Devices.

Scandinavia—Printing & Bookbinding Equipment.

United Kingdom—Auto Diagnostic & Service Equipment.

West Germany—Production Equipment for the Electronics Industry.

Japan—Advanced Medical Equipment.

United Kingdom—Oceanographic Instruments & Equipment.

The Export Market Guides may be ordered, at 10 cents each, from Sales & Distribution, Room 2119, Department of Commerce, Washington, D.C. 20230, or from any Commerce Field Office.

Overseas Business Reports. **U.S. Department of Commerce. Washington, D.C. 1968. $13 per year ($5 additional for overseas mailing), 15 cents per copy.**

Basic Data on the Economy of the Democratic Republic of the Congo (Kinshasa). OBR 68-6. This report contains information on geography, government, economic structure, industries, labor, finance, foreign trade and development planning.

Market Factors in Belgium. OBR 68-19. The market outlook, its scope and nature, competition, market analysis for selected commodities, and a bibliography are included.

Basic Data on the Economy of Bahrain, Qatar, Muscat & Oman, and the Trucial States. OBR 68-22. Information is presented for each country, sultanate and trucial state on geography, government, economic structure, agriculture, currency and banking, development and foreign trade.

Establishing a Business in Israel. OBR 68-25. Information of interest to anyone contemplating doing business in Israel is detailed in this report, including investment climate, legislation governing investment, business organization, industrial property protection, employment, taxation, availability of capital and basic economic facilities.

Write: any Department of Commerce field office or Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Marketing Dictionary. **By Stanley Strand. Published by Philosophical Library, Inc. New York. 1968. 810pp. $10.**

A compilation of marketing words and terms, this book is intended for the businessman, business teacher and business student.

It contains 5,200 definitions, based on the commerce, industry and professional marketing literature in use today.

The author is now director of placement and was formerly a teacher of marketing at Seton Hall University's School of Business Administration, and has 20 years business experience and scholarship.

Write: Philosophical Library, Inc., 15 East 40th St., New York, N.Y. 10016.

Surveys of Africa available to readers

Barclay's Bank, of England, has prepared a series of economic surveys on African countries. These booklets contain information on such topics as: geography and history, economic structure, agriculture, industries, external trade, import and export controls, customs and excise duties, tourism, and others.

The surveys are available for the following countries: Botswana, Lesotho & Swaziland; Malawi; Mauritius; Seychelles; South Africa; Sudan; Uganda; and Zambia.

For free copies of any of the above write: Africa Division, Office of International Regional Economics, Department of Commerce, Washington, D.C. 20230.

The Far East and Southwest Pacific, 1968. **By Harold C. Hinton. Published by Stryker-Post Publications. Washington, D.C. 1968. 89pp. $1.75.**

The latest in the publisher's World Today Series, this book gives up-to-date information on the 18 governments of this area. These are: Australia, Burma, Cambodia, China (both Taiwan and the People's Republic of China), Indonesia, Japan, Korea (North and South), Laos, Malaysia, Mongolia, New Zealand, the Philippines, Singapore, Thailand, Vietnam (North and South), as well as the small states of Nauru and Western Samoa, and the dependencies of Papua and the Territory of New Guinea, Brunei, Hong Kong, Macao, Portuguese Timor and the Ryukyu Islands.

The book gives general historical, economic and political background for each of the countries, as well as a simplified map.

Write: Stryker-Post Publications, 6330 Utah Ave. NW., Washington, D.C. 20015.

Latin American Growth Trends—Seven Years of the Alliance for Progress. **Published by the Department of State. Washington, D.C. 1968. 64pp. Free.**

The progress of the Alliance in agriculture, industry, health, education, establishment of cooperatives and other areas is presented in this illustrated book. It details such information as: 65% more classrooms were built in Latin America in 1967 than in 1960; livestock production has risen 19% during the Alliance years; manufacturing and mining have risen 41% and 22% respectively. Housing cooperatives have increased five-fold since 1960; more than one third of the total paved roads in the 18 Latin American republics were built during the past seven years. The total gross national product of the Latin American region has increased 30% since 1961, comparing favorably with the U.S. increase of 35%.

This booklet may be of interest to businessmen wishing to gain information about the present economic status and future development possibilities of Latin America.

Write: Office of Public Affairs for Latin America, Room 3491A, Department of State, Washington, D.C. 20520.

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Calendar *for international traders*

ANAHEIM, Calif.—June 4-5—Business Opportunities Conference, Anaheim Convention Ctr. Sponsors: Economic Development Council of Orange County Chamber of Commerce, Commerce Los Angeles Field Office, So. Calif. REEC.

ATLANTA—June 13—In-Office Export Conference, Commerce Field Office. Sponsors: Commerce Field Office, REEC.

CHICAGO—June 5—Export Seminar, Sheraton-Chicago Hotel. Sponsors: SBA, Commerce Field Office, State of Ill., Northwest Airlines.

CHICAGO—June 6—Businessmen's Consultation, **Charles T. Prindeville, Jr., Commercial Officer, Guayaquil/to Singapore.** Sponsor: Commerce Field Office.

CHICAGO—June 11—Automotive Exporters' Club of Chicago, Builders Bldg.

CLEVELAND—June 4—Export Workshop, "Export Sales & Distribution", Conference Room, Greater Cleveland Growth Assn., 10 a.m.-12 noon. Sponsors: Commerce Field Office, REEC, Cleveland World Trade Assn., Small Business Admin.

COLUMBUS, O.—June 12—Int'l Operations Seminar—Legal Views on Mfg. Abroad, Columbus Club, 10:30 a.m.-1:30 p.m. Sponsor: Chamber of Commerce.

DETROIT—June 11—Export Marketing Workshop, Commerce Field Office, 9:30 a.m. Sponsors: Commerce Field Office, REEC.

HACKENSACK, N.J.—June 7—Profits in Exports meeting, Peoples Trust Co. of Bergen County. Sponsors: Peoples Trust Co., Commerce New York Field Office, REEC.

NEW YORK—June 3—Profits in Exports meeting, Advertising Club. Sponsors: Specialty Advertising Assn. of Greater N.Y., Commerce Field Office.

NEW YORK—June 4—FCIB Roundtable Conference on Foreign Finance, Credit, Collection & Exchange Problems, Advertising Club, 1:30 p.m.

SAN FRANCISCO—June 17—First of 10 weekly seminar/workshop sessions on Int'l Business Mgmt., Center for World Business, San Francisco State College, 7 p.m. Sponsors: San Francisco State College, REEC.

TOLEDO—June 12—Tour of port facilities, 10 a.m., luncheon aboard ship. Sponsor: Chamber of Commerce.

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